

A USEFUL LOOK AHEAD FROM WASHINGTON

APRIL 1974

# Nation's Business

A photograph of a person's legs from the knees down, wearing red and white vertically striped trousers and black shoes. The person is standing on a light-colored surface against a dark background.

AS OTHERS  
SEE U.S.

**UNCLE  
SAM  
STILL  
STANDS  
TALL**

PAGE 54



## **NCR has a sure cure for sick hospitals!**

New NCR computer-aided systems help hospitals function more efficiently. Other NCR systems produce profitable results in many different vocational areas. NCR knows from experience what is needed most in electronic business systems. Of course, you need more than a computer. That's why NCR provides you with data terminals, peripherals and computers to help you operate more effectively. You get the help of NCR representatives who are trained in your industry and devote their efforts exclusively to your needs. And over 18,000 field engineers provide worldwide service coverage for your NCR system. You're in good company with NCR, the complete systems company!

**NCR**  
Complete Computer Systems





**What's a good name for  
Group Health and Life Insurance  
for a company of three?  
"Mini-Group."  
Now from Allstate.**

Allstate is in the business of helping businesses provide for their insurance needs. And for some time now, we've been providing group health and group life plans for some of the biggest businesses around.

Now we're introducing a group health and life plan for companies with 3 to 25 employees. Perhaps like yours.

We call it our "Mini-Group" Insurance. And even if you already have some form of employee group insurance, you really ought to compare yours with ours.

Because a lot of the things we do for the biggest businesses, we can do for your business, too.

Like offering a broad selection of coverages. So you can tailor a plan that's right for your business. A plan that can be 100% tax deductible.

And offering the simplicity of dealing with one agent, who represents the Allstate Group of companies. An easy-to-buy arrangement that might just save you some money.

How can you find out if an Allstate "Mini-Group" Plan is right for your business?

Call an Allstate Agent. He'll arrange for a proposal for your company. You select from the available plans, based on your company's needs and what you'd like to do for yourself and your employees.

You'll soon have the facts, costs, a complete picture.

The proposal is free. Take advantage of it. It could save you money.

Available in most states to businesses that qualify.

**Allstate**  
You're in good hands.

Allstate Life Insurance Company  
Allstate Insurance Company

For a free booklet on Group Insurance for the Small Businessman, see an Allstate Agent near you.

# Nation's Business

## 8 EXECUTIVE TRENDS

Castell

How a company gets the word to foreign stockholders; when executives may say No to a transfer; keeping up with competitors; helpful hints for hospital trustees

## 15 THE PAPERWORK BLIZZARD

Kilpatrick

Nothing, writes James J. Kilpatrick, amounts to greater harassment of the American businessman than the record-keeping and forms-filling required by the government

## 19 SOUND OFF: CAN COMMUNITIES SAY: "NO VACANCY"?

Heiman

## 20 Sound off response -

Gray

Moran

Castello

## 23 OUR JOB SAFETY LAW SHOULD SAY WHAT IT MEANS

Why has this well-intended legislation misfired? "Riddles wrapped in mysteries inside enigmas," answers the head of the Occupational Safety and Health Review Commission

## 27 PANORAMA OF THE NATION'S BUSINESS

Louvier

Employees sniff and chew to preserve the environment; why a *Bounty* sails in the Iowa plains; an athlete can really make points in an advertisement

## 30 AT LAST, CONGRESS MOVES TOWARD BUDGET REFORM

Gray

Authority over income and outgo has been split on Capitol Hill since the years just after the Civil War; now there has been action to put it all together

## 36 DON'T GET HOOKED BY THESE CROOKS

Hopkins

This article should help you trump the fraudulent credit card and checkmate the bouncy check in a serious game—combating the rise of white collar crime

## 40 WEATHERING THE ENERGY CRISIS

McLean

So far, not so bad—that's what most executives report about the effects of the fuel crunch, in a survey also covering the outlook for profits, sales and prices

Cover photograph by Jon Francis

Nation's Business is published monthly at 1615 H Street N.W., Washington, D.C. 20006. Subscription rates: United States and possessions \$34.75 for three years; Canadian \$14 a year. Printed in U.S.A. Second class postage paid at Washington, D.C., and at additional mailing offices. © 1974 by Nation's Business—the Chamber of Commerce of the United States. All rights reserved. Nation's Business is available by subscription only. Postmaster: please send form 3579 to 1615 H Street N.W., Washington, D.C. 20006. Editorial Headquarters—1615 H Street N.W., Washington, D.C. 20006. Circulation Headquarters—1615 H Street N.W., Washington, D.C. 20006. Advertising Headquarters—711 Third Avenue, New York, N.Y. 10017. Atlanta: James M. Yandle, 62 Perimeter Center East; Chicago: Herbert F. Ohmeis Jr., 233 North Michigan Ave.; Cleveland: Gerald A. Warren, 1046 Hanna Building; Detroit: Robert H. Gotshall, 857 Fisher Building; New York: Raymond P. Murray, 711 Third Avenue; Philadelphia: Herman C. Sturm, 1034 Suburban Station Building; San Francisco: Robert Zurich, Zurich & Follansbee, 465 California Street; Los Angeles: Jack Follansbee, Zurich & Follansbee, 711 South Vermont Avenue.



#### 44 LESSONS OF LEADERSHIP: JOHN H. JOHNSON OF EBONY

*Owens* This giant of the black publishing industry, who was reared in poverty, advocates "responsible daring" in business and the setting of goals that are of realistic size

#### 54 UNCLE SAM STILL STANDS TALL

*Slappay* Knowledgeable people in Europe and Japan say that the U.S. may indeed be down, but that it is not out; in fact, the consensus is that it is in full comeback

#### 63 THIS MONTH'S GUEST ECONOMIST

*Carroll* A basic problem in business today, writes Daniel T. Carroll of Gould, Inc., is that many companies are half-hearted about planning what they would do in downturns

#### 65 SHORTCUTS TO BETTER SALES

*Khravel back* It's one thing to produce something, another to market it; if the people who work for you aren't marketing-minded, here are steps you can take

#### 70 THE LAW THAT BOOMERANGED

*Stell noyer* The Davis-Bacon Act was designed to protect local construction firms and their employees; but with a friend like that, who needs enemies?

#### 74 BUSINESS: A LOOK AHEAD

*Carman* The veterans' job program becomes permanent; NLRB gets cracking on crackdowns; federal buying methods may change; wildcatters could be turned into pussycats

#### 76 EDITORIAL: THE THREAT IN THE WINGS

*Woodbridge* There's a touch of asininity in one technique for dealing with price rises

#### ALSO . . .

*Woodbridge* . . . Memo From the Editor, page 6; What Readers Want to Know, page 12; Sound Off Response, page 20; Letters, page 68; Advertisers in This Issue, page 69 . . .

PUBLISHER  
Arch N. Booth

EDITOR  
Jack Wooldridge

MANAGING EDITOR  
Wilbur Martin

SENIOR EDITORS  
Sterling G. Slappay  
Henry Altman

ASSOCIATE EDITORS  
John Costello  
Vernon Louviere  
Robert T. Gray  
Grover Heiman  
David McLean

ADM. ASSISTANT  
Marlene Stevenson

ART DIRECTOR  
Ralph Patterson

ASSISTANT ART DIRECTOR  
Richard C. Freund

ASSOCIATES  
Ann Owens  
Hans A. Baum

ADM. ASSISTANT  
Carol Morgan

ART CONSULTANT  
Yoichi R. Okamoto

DIRECTOR OF MAIL SALES  
AND SEMINARS IN SOUND  
Philip A. Sweeney

BUSINESS MANAGER  
William W. Owens

ADVERTISING DIRECTOR  
W. Brett Perrine

MANAGER OF MARKET DEVELOPMENT  
Hugh Reynolds

PRODUCTION MANAGER  
Harry N. Miller

PRODUCTION EDITOR  
Judith Zeiler

NATIONAL CIRCULATION DIRECTOR  
Thomas J. Ames

ASSISTANT CIRCULATION DIRECTOR  
Harold E. Johnson





**Our  
One Policy**  
gives you one premium,  
one due date, one agent to  
call for all this.

Maybe you're not in auto sales.

Maybe you're in some other kind of sales. Or manufacturing. Or whatever business.

One thing is certain: you probably need 5, 10, or even more kinds of property, liability and crime insurance.

The One Policy (or "Comprehensive Business Policy") invented by Continental Insurance is one big blessing for you.

First, it saves you a big headache—dealing with multiple companies, multiple policies, multiple premiums and due dates.

You deal with only one company—Continental.

It can also save you money.

Up to 25%.

(And sometimes even more.)

Since the One Policy is written to order for each business, it eliminates overlaps (which means paying twice, often unknowingly, for the same kind of insurance).

Now isn't this the business-like way to buy insurance?

Call a Continental agent today.

You'll find the one for you listed in your local Yellow Pages.

**Let us design one for  
your business.**



**The  
Continental  
Insurance  
Companies**

Home Office: 80 Maiden Lane, New York, New York 10038

---

---

## memo from the editor

---

Remember when you or your kids used to type, "Now is the time for all good men to come to the aid of their party"?

The words are so familiar that they can become kind of meaningless. Yet, right now, that message is one of the most important that any businessman could consider.

An awful lot of people—maybe most of us—are pretty fed up with politics. The atmosphere is about as discouraging to those who might think of getting involved as it has ever been. Yet, that is exactly the reason why "all good men" had better take a hand. If good men don't, there is a real risk that another kind will.

We'll be electing the entire House of Representatives and a third of the Senate this fall, as well as many other state and local officials. Unless we take a hand in choosing candidates and helping them, we will have no one to blame but ourselves if we don't like the people who are elected.

It is true that there are many things businessmen cannot legally do in the field of politics. But there are a great many other things that you can do to help the candidates and party of your choice.

Decisions are being made now. If you put off becoming involved, you may be too late. To repeat:

Now is the time for all good men to come to the aid of their party.

• • •

For more than a dozen years, *Nation's Business* has been taking the national economic pulse by surveying leading executives. The results of our 50th quarterly outlook poll (page 40) show that even in the midst of an energy crunch, there is plenty of bounce in our economy.

But we must remember that, even with Arab oil flowing to us again, there is still a need for energy conservation. It will be some time before the full impact of the easing of the Arab embargo will be felt by the nation's consumers. And the Middle East oil won't end

our shortages completely. The end won't come until we develop new energy resources of our own.

• • •

That America is recognized to be far more self-sufficient than almost any other industrialized nation is demonstrated in the views of many of the world's knowledgeable thinkers ("Uncle Sam Still Stands Tall," page 54). We talked with a number of such people about just how they see the U.S. today.

While Americans, as citizens, may grumble and take potshots at our own state of being, the rest of the world doesn't think our problems are nearly as momentous as we do. In fact, the general opinion seems to be that the U.S. is a rather remarkable country that has the inner strength to always be great.

With a flair which so characterizes the British manner of putting things, the new Labor government's Chancellor of the Exchequer, Denis Healey, seems to sum up our nation's past, present and future: "America is a bubbling place—filled with new ideas."

• • •

The late Senate Republican Leader, Everett Dirksen, had a favorite expression to describe legislation that finally comes to fruition after years of effort: "An idea whose time has come." We're happy to note that the time has now come when Congress has decided to take an overall look at the budget it appropriates to run the government—instead of examining it piecemeal as has been the case.

"At Last, Congress Moves Toward Budget Reform" (page 30) is a status report. When all the votes are finally counted, our representatives hopefully will have taken an extra step toward a plan which the National Chamber has long advocated—requiring actual field tests of new spending programs to see whether they really work, before appropriating billions in the hope they will.

It would be a giant step for the taxpayers.

*Jack W. Waldridge*



**In the beginning,  
there is price.**

**In the end, there is cost.**

If you're a businessman, you know there are certain things you would never buy on the basis of price alone. And probably, way up near the top of that list is business insurance.

Employers of Wausau doesn't sell insurance on price. We sell on the value of our services.

Those services are designed to help you prevent and control losses. And losses are what determine ultimate cost.

That's why we don't just ask for the chance to quote on your business. We want the chance to show what we can be worth to you in the long run.

**Come to the source**

**Employers Insurance of Wausau**  
Wausau, Wisconsin



# We give you 10 seconds to reach the foreman

If you had an Executone Communications System you could reach the foreman, the office manager, the personnel director, or anyone in the company within seconds.

You'd have Executone Intercom stations in all offices and key locations. At the touch of a button, you could talk directly to your man. He could answer from anywhere in the room, or use the handset to talk privately. And if you had Executone Pocket Page in combination with your intercom system, you could reach your people anywhere in the office or plant, even between buildings.

An Executone System quickly pays for itself. Because it helps your business run more smoothly, cuts overhead costs and improves customer service.

Send in the coupon below for free portfolio, "How to Save with Intercom and Pocket Page."



## Executone intercom

Executone, Inc., Dept. U-2  
29-10 Thomson Ave.  
Long Island City, N.Y. 11101

- ☐ Please send free portfolio, "How to Save with Intercom & Pocket Page."  
☐ Have your representative phone for an appointment.

Name \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

In Canada: 331 Bartlett Avenue, Toronto.

## executive trends

BY JOHN COSTELLO  
Associate Editor

### Carrier Corp.'s gift of tongues

This Syracuse, N.Y., firm gets around:

Its equipment cools office buildings in Paris.

Ditto for the Mitsukoshi Department Store in Tokyo.

And the same for a shopping mall in Regensburg, West Germany, as well as the Parque Central apartments in Caracas, Venezuela.

In short, it has a world-wide clientele—and stockholders to match.

This year, it made sure that all of them got the word on how Carrier did. Its annual report includes the president's and board chairman's summary of the firm's progress in 1973, printed in French, German, Spanish and Japanese, as well as English.

"We tried this last year," a company spokesman says. "We got so many compliments, that we did it again for 1973."

Next year, Arabic?

### Sure, they're mobile, but . . .

True, many executives will switch jobs, if the price is right.

But for a growing number, more money is not enough of an inducement to job hop—or transfer to take a promotion.

That's what McFeely, Wackerle Associates, Chicago executive recruiters, say they find.

Why do executives stay put?

"Today, other things may have a higher priority than more pay or a promotion," says Clarence McFeely, partner. Here are some reasons he cites for why an executive won't budge.

**1. Teen-agers:** The fact that a high-school-age son or daughter doesn't want to leave a particular school may result in a family vote not to move.

**2. Civic activities:** A husband or wife who is prominent in local civic, phil-

anthropic or church work may balk at giving it up.

**3. Location:** Some find the scenery, climate or recreation too good to chuck—if there's any way to avoid it.

**4. Past mobility:** Often, there's a limit to how many times a family will pull up its roots and move. The Missus is most likely to object.

**5. Marital problems:** The prospect of moving may bring them to a head.

"One New Yorker," Mr. McFeely says, "was wooed hard by a West Coast firm, but his wife was against it."

"The solution? In this case, divorce."

"But sometimes, the situation is very different."

"In another instance, an Eastern executive, who was divorced, turned down a good offer from a Midwest firm."

"He wouldn't give up visitation rights with his young children."

### Keeping up with the competition

Don't count on bigger and better technology, one expert says. Look to people.

"Sure," says Joseph H. Quick, chairman, Science Management Corp., Moorestown, N.J., "machines have been important to America's industrial leadership. But they have created a dangerous complacency both in management and labor."

"Today, other industrial countries have the same machines—and more highly motivated workers."

As a result, he points out, most industrialized nations outrank the U.S. in annual productivity gains.

But there's a bright side, he adds. Namely that we have lots of room for improvement.

"Most manufacturing and service industries in the U.S.," he states, "are operating at between 50 and 75 per cent efficiency. The reason is not job discontent or union resistance to change."

"The fault lies squarely with management."

What's the secret of a successful program to boost a company's efficiency?

"First," Mr. Quick says, "make sure the president understands it. Then



he must tell the staff he wants it carried out. The next steps are:

- "Take a job audit.
- "Win the cooperation of the employees.
- "Take a look at each guy, and set production goals for each one."

Unions usually don't balk, as long as the program doesn't violate the terms of their contracts, Mr. Quick finds.

Nor do the workers, if the program's presented right.

"They take pride," he says, "in knowing when they've done a good day's work.

"After all who'd want to play golf if he didn't know what's par for the course?"

### What every trustee should know

Many executives are in a position to cut health care costs. They serve as trustees for hospitals.

And hospitals are where much of the \$20 billion goes that business spends annually on health care for employees.

"Unfortunately," one trustee says, "you usually come to the job green. Most trustees are amateurs at hospital management. So their first term, at least, is really on-the-job training."

Now there's a handy manual that gives some instant expertise: "A Primer for Hospital Trustees," \$4, published by the Chamber of Commerce of the United States.

It will help you learn:

- How to cut costs and run a hospital more efficiently.
- What you should know about expense budgets, cash flow, capital spending and cost accounting.
- Why doctors, hospital administrators, patients and trustees clash—and where to avoid conflict.
- How your hospital rates with others.

"Hospitals today," a Chamber pamphlet points out, "are operating under severe pressures.

"Increasing demand for services, rising costs . . . make it imperative hospitals meet their responsibilities and capitalize on their opportunities. This means, among other things, the best possible leadership from the board of trustees."



## WHERE MAKING A PROFIT IS AS ENJOYABLE AS SPENDING IT...

There are a lot of reasons why running a business is more enjoyable in South Carolina... we've got the lowest work stoppage rate in America... Industries that have located here report dramatic increases in productivity rates. We have a "Right to Work Law" which reflects our belief in an honest day's labor. Our tax burden is 36 percent below the national average and our technical education system can be used to train highly skilled workers. If you've been thinking of increasing profits and decreasing unit costs then you've been thinking of South Carolina. We're a great place to make a profit and a wonderful place to enjoy it.

## South Carolina

"Full Of Surprises."

For information about South Carolina Business Opportunities write:  
Director, State Development Board, Dept. 175, P. O. Box 207, Columbia, S.C. 29202. Phone (803) 732-3140.

## Zippo windproof lighters with your company's insignia are guaranteed to work, always... or Zippo will fix them free!



### Like more information?

**ZIPPO MANUFACTURING COMPANY Industrial Sales Division**  
Bradford, Pennsylvania 16701

Please send me full information about business gifts by Zippo.

Name  Title

Firm

Address  Zip

# Apeco introduces the plain paper copier for people who have too much copier now.



There it sits—your sleeping giant of a copier. Underworked and overpaid. And here we come with our new Apeco Bond Copier. The perfect machine for cutting the absurdly high cost of plain paper copying.

With your present high-speed, high-cost copier, you have a machine full of capacity you can't use. With our new high-quality, low-cost copier, you have a machine full of the capability you need.

For instance, it makes sparkling copies on any ordinary paper. What's more, our new Apeco Bond Copier can reproduce photographs and half-tones with an incredible eye for subtlety and detail. And because it plugs into any 115-volt outlet, you can roll the Apeco Bond Copier to where the work is—anyplace in the office.

Yet you can own several Bond Copiers—and decentralize your copying—for a price that's probably a lot lower than the behemoth you're now renting.

Our new Apeco Bond Copier is just one of a long Apeco line. There's a model for you no matter how little, or how much, copier you need. Ask an Apeco salesman about them. Or talk to an Apeco dealer. Or just write to us in Evanston.



# Apeco introduces the plain paper copier for people who have too little copier now.



Your little copier never quite performed the way you hoped it would. While our new Bond Copier turns out rich, black copies that are almost better than the originals.

When you ordered your little copier, you thought you were getting economy.

When you order our new Apeco Bond Copier, you're getting performance.

At a price per copy that's about as low as your little copier.

For instance, it makes sparkling copies on any ordinary paper, pre-printed forms, gummed labels—it even makes offset masters.

And because it plugs into any 115-volt outlet, you can roll the Apeco Bond Copier to where the work is—anywhere in the office.

Yet you can trade in that little rascal you now have and step up to an Apeco Bond Copier for surprisingly little. You'll get a lot more—for only a little more.

Our new Apeco Bond Copier is just one of a long Apeco line. There's one for you no matter how little, or how much, copier you need. Ask an Apeco salesman about them. Or talk to an Apeco dealer. Or just write to us in Evanston.

**APÉCO®** APECO CORPORATION 2100 Dempster Street, Evanston, Illinois 60204

## How does a small boy cope with Cerebral Palsy and become a Psychology Professor?



### With determination . . .

And a lot of help from United Cerebral Palsy. Harold Yuker, now a professor at Hofstra University, knows that he still impresses people as being "disabled." But that doesn't stop him.

### He has made it.

And United Cerebral Palsy can help lots of other kids make it, too, with physical therapy, medical treatment, counseling and other needed services.

But only as long as you're there to help us.



Give to  
**UNITED  
CEREBRAL  
PALSY**

## what readers want to know

Is it true that the House Judiciary Committee study of the possible impeachment of President Nixon is virtually "leak proof"?

So far, it has that reputation. And it is amazing how little information has been leaked from the special staff assembled by the House Committee, in view of the fact that the staff numbers almost 100 persons, slightly less than half of them lawyers.

John M. Doar, special counsel in charge of the staff, made tight security a condition when he took the job. Without saying so, he was determined not to let his group follow the pattern of the Senate group investigating the Watergate scandals. News leaks reached floodgate proportions at some points during the Senate probe. There has been far less "trial by headline" in the House inquiry.

**What's so wrong with letting the government pay for political campaign expenses? Wouldn't it end a lot of abuses?**

On the surface, it might appear to be the easy solution to getting people to run for office on a no-strings-attached basis. To be sure, there is enough suspicion abroad that when you make a large contribution to an office-seeker you expect something in return. There is the larger danger, however, that letting the government pay would be opening the door wide to unwanted government influence on the political process. Further, it would give another edge to the incumbent, who already enjoys free mailing privileges, office staff and phone, plus a travel allowance—to name a few of an officeholder's advantages.

Too, the American political system has always prided itself on voluntarism. With all its flaws, it is the best system extant.

**I have read that the Navy was retiring 16 admirals because there were too many admirals in comparison with other naval officers. The article said these were one- and two-star**

**admirals. I contend there is no such thing as a one-star admiral. Am I correct?**

You are, as far as insignia goes.

In wartime, the Navy is authorized to use the rank of commodore, which calls for a one-star insignia. In peacetime, the Navy promotes its captains to the grade of rear admiral, the equivalent of major general in the Army, Air Force and Marine Corps. Rear admirals wear two stars, but they fall in two categories. Those in the "upper half" get two-star pay and the others receive one-star pay.

As old sailors say, there's a right way, a wrong way and the Navy way.

**I hear that Congressmen and Senators are improving their voting records. Is Watergate responsible?**

That's possible, but the reasons are hard to nail down. According to a recent study, our federal lawmakers, on an average, voted in 89 per cent of the roll calls taken during 1973. That tied a record established in 1956 and equaled only once before, in 1959.

The all-time attendance record for roll call voting is held by Rep. Charles E. Bennett (D.-Fla.), who went 23 years without missing a vote. The end came in February when the House, in an unusual move, ordered a vote after assuring members the day's business had ended. Congressman Bennett, halfway home, was unable to return to the Capitol in time. His unbroken streak ended at 4,003 votes. What makes Charles Bennett's voting record more amazing is that he is crippled and walks with great difficulty. On the Senate side, the record is held by Sen. William Proxmire (D.-Wisc.), with an unbroken string of 3,088 roll call votes as of recent date.

If Watergate isn't pricking Congressional consciences some members may be voting more because of the threat of a pending bill that would declare a seat vacant if its occupant votes less than 60 per cent of the time in a single year.



# Hertz gets you a good deal for your used car when your lease is up.

At the end of every Hertz Finance Lease, we make every effort to get you a better return on your used car—so you'll return to Hertz Car Leasing again and again.

To begin at the beginning, you can lease new cars from Hertz at competitive prices. And Hertz resale experts and Hertz computers can advise you which makes and models—even colors—will be worth most when they're no longer new. To keep your cars running like new, you have a choice of full, budget, or non-maintenance plans.

During your lease, you have total control of fleet operations, while Hertz maintains titles and controls relicensing. If at any time you want advice in credit, financial, sales, or marketing matters, we'll send the right man out to see you—in person. And if one of your

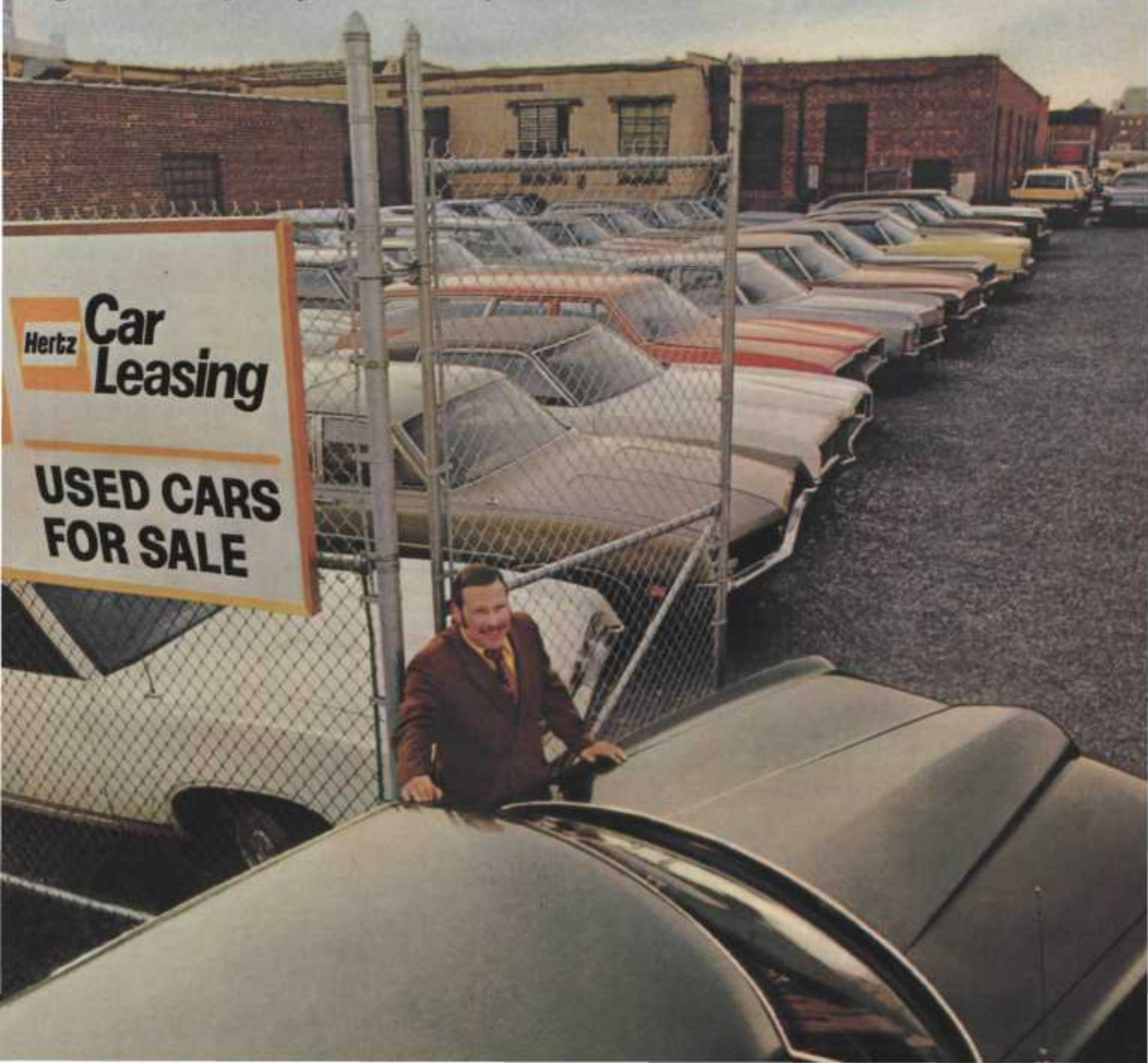
cars is out of commission, your salesman won't ever lose a commission: he'll get a "loaner" car with unlimited mileage (or a rent-a-car substitute) at a low cost.

When your lease is up, Hertz provides the most turn-in locations and the most flexibility in turn-in matters. Our nationwide team of used car specialists will work to get you the best used car value. And that means we'll sell your car, rather than trade it in.

For more information on Hertz Car Leasing and the office nearest you, call John North, V.P. Sales, collect at 212-752-3506. We'll do our best to give your Hertz Finance Lease a happy ending.

**There isn't a car lease we can't write.**

**Hertz Car Leasing**  
\*Hertz leases Ford and other new cars.





## Bend the Rules or Break Out the Candles

Unless environmental rules are bent a little, electric power users in a number of states may face brownouts and blackouts of major proportions in 1975, the Federal Power Commission staff warns.

States in the worst shape would be Ohio, Indiana, West Virginia, Kentucky, Illinois, Missouri, Tennessee and Alabama.

An FPC staff report predicts these states will have "critically deficient" power reserves if there is continued insistence on existing air quality standards. Reserves are considered to be at safe levels if they are between 15 and 25 per cent of peak demand.

FPC's Bureau of Power calculates that unless some variances are granted in types of fuel used, an antici-

pated nationwide reserve of 24.9 per cent will drop to 7.4 per cent next year.

"On a national basis these are unacceptable levels from the standpoint of reliability of service," the report warns.

The report is based on data from the nine major regions where large utilities cooperate in distribution of power through grid networks. The FPC staff concludes that seven would have reserve levels deficient in varying degrees next year. Three, in fact, would have no power reserve to meet peak demand, and would have to borrow from other regions. But these might have similar problems and thus their loads would have to be curtailed.

In the East Central region the projected 1975 reserve would drop from 23.1 per cent to a negative 27.3 per cent. Most of the plants that couldn't comply with air pollution regulations are located in Ohio, Indiana, West Virginia and Kentucky.

In the Mid-American region the projected 17.3 per cent reserve would drop to a negative 14.4 per cent. Most of this loss would come from plant shutdowns in Illinois and Missouri.

In the Southeastern area the projected reserve margin of 25.4 per cent would plummet to a negative 0.9 per cent. Plants involved are located mostly in Tennessee, Alabama and Kentucky.

FPC says the solution is to per-

### South Dakota Workers' Learning Ability Earns Top Marks



"We just opened a new plant in South Dakota and our experience with the work force is just beginning but I can tell these people will prove out."

"The thing that impresses me most is how well our workers have responded to

training. They've shown a solid willingness to learn and they learn quickly. When you've got that, you'll be okay."

"Another thing is their steady work pace. We don't have peaks and valleys in our production rate, and that pays off."

*Francis Janous  
Plant Superintendent  
Gehl Company  
Madison, S. D.*



**RICH IN HUMAN RESOURCES**

### South Dakota Workers' Machine Know-How Rated High



"South Dakota workers know how to treat machinery. They seem to have a feel for it."

"I think knowledge of machinery and mechanics comes from their farm backgrounds. Because of that they adapt well to working with industrial machinery."

"Maybe their farm history accounts for their aggressiveness too."

South Dakota people really want to work. They meet our efficiency and quality standards because they try hard. They accept job standards as a challenge, not something they have to do."

*Ken Anderson  
General Manager  
Quadee Rubber  
Watertown, S. D.*



**RICH IN HUMAN RESOURCES**



mit burning of frowned-upon higher-sulfur-content fuels on either a regular or on-and-off basis.

The Environmental Protection Agency doesn't agree.

EPA says that flue gas desulfurization facilities are available to correct conditions at existing plants. However, the FPC staff counters that facilities neither are available in the quantity needed nor have a compatibility with steam electric plants.

The FPC report urges adoption of a "Supplemental Control System," which would permit standards on pollutant emissions to vary, depending on atmospheric conditions, but would maintain air quality.

To accomplish this, the system would allow use of higher-sulfur-content fuels during periods of good atmospheric ventilation and use of scarcer low-sulfur-content fuels during periods of poor ventilation.

"To be effective for utility operation," the FPC staff argues, "SCS must become a full-fledged control alternative," applicable to all existing oil- or coal-fired units.

Responsibility for seeing that this alternative system assures air quality as good as could be provided with constant emission control would rest with the utility, which would have to install, operate and maintain the necessary equipment and would take the required action according to predetermined criteria.

The Administration has asked Congress for authority to modify environmental restrictions during the energy crisis and the FPC report is expected to be a big assist in its obtaining that authority. •

### Highway Slowdown Could Be Permanent

There's bad news ahead for speed demons.

In 1970 the Transportation Department's National Highway Traffic Safety Administration proposed that auto speedometers go no higher than 85 miles an hour, that actual speed capability be limited to 95, and that a system of warning lights and horns be required which would

operate when an auto hits between 81 and 85.

The gasoline shortage has caused the Department to consider even stricter limits. A salient point: The lower national speed limit imposed due to the shortage has significantly reduced highway deaths.

Accordingly, the Department is asking safety experts, law enforcement agencies, the auto industry and the general public for their views about maximum speeds when and if the shortage ends.

Metric system proponents point out that if the nation goes metric, speed curbs might be less painful psychologically for those who like to travel fast—the current national limit of 55 miles per hour translates into 90 kilometers per hour. •

### Another Forest Product: Auto Fuel

If you can't get a tiger in your tank, you might try a wood chip.

Now that they're talking of using such things as garbage to produce

## South Dakota Workers' Job Attitude Earns 3M Praise



"The attitude of the workers here is outstanding. South Dakotans grew up in a work environment. We see it in the consistent quality of their work; we see it in their productivity."

"We value this attitude because it helps us deliver

the high product quality that our customers have learned to rely on."

"And just as important is the cooperation we have received from the entire community. One word says it all for this area—livability."

Allan Moun  
Plant Manager  
Medical Products Plant  
3M Company  
Brookings, S. D.



**RICH IN HUMAN RESOURCES**

## South Dakota Workers Are Ready to Work For You



Manufacturers with plants in South Dakota know the productivity of our labor force. They profit from it.

Taxes encourage profit here too. South Dakota has no corporate or personal income tax.

Return this coupon for complete information.

Robert H. Martin, Director, Industrial Division  
Suite 804, State Office Building  
Pierre, South Dakota 57501  
Phone 605 224-3307

Name \_\_\_\_\_

Firm \_\_\_\_\_

Address \_\_\_\_\_



City \_\_\_\_\_

State \_\_\_\_\_

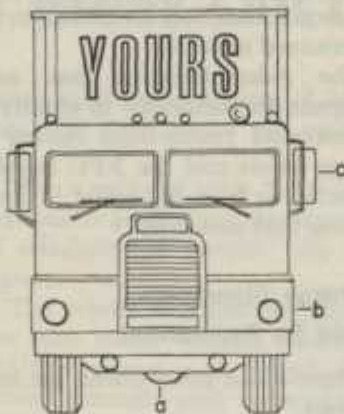
Zip \_\_\_\_\_

Phone \_\_\_\_\_



# individual

(in'di.vij'ōo.al) *n.* 1. Characteristics of a single person or thing. 2. Pertaining to the methods of your local Nationalease Affiliate in serving customers according to the circumstances of each situation, etc. 3. Seldom found in policy-bound giant leasing companies.



For nearest Nationalease Affiliate call collect: 312 782-2991



**National Truck Leasing System**

One North Wacker Drive/Chicago, Illinois 60606

You define your needs...Nationalease will meet them.

## What's good for Me. is good for you.



Maine is one state that knows what industries are good for Maine. And if you're one of them, you're golden. Based on a recent national study, our analysis clearly indicates that some select industries are growing faster in New England than anywhere else in the U.S. in terms of increased annual value added, increased productivity and increased capital/labor ratio. Also, to encourage growth, Maine's 106th Legislature just recently passed sweeping tax reforms in favor of business, and it has legislated new programs which make it easier for you to finance your projects. So, if you've considered moving your business, take some advice from Me. (if you want to know what's good for you). Write on your company letterhead giving more information about your product line to James K. Keefe, Commissioner, Department of Commerce and Industry, State House, Room 4365, Augusta, Me. 04330.

**Find out about the  
industries growing faster in Maine.**

## the world of industry *continued*

fuel to replace gasoline, the forestry industry wants to be counted in, too. The National Forest Products Association reminds us that in World War II many autos around the world used wood gas instead of gasoline.

The U.S. Bureau of Mines is planning a \$2 million experimental station in Albany, Oregon, that will go a different route. It will convert wood residues into low-sulfur oil from which gasoline could be made.

How much such oil is in wood? About 252 gallons in three tons. •

### Money Talks— in a New Way

Usually, blind merchants have to rely on the honesty of their customers when accepting paper currency, but now—thanks to the National Aeronautics and Space Administration—the blind can have a device that will identify bills by sound.

The device, an inexpensive one, was developed as a result of a NASA search for a semi-automatic way to inspect microfilm records.

According to NASA, when a bill is passed under a light source, a sensor measures the change in the light patterns. These changes are then converted into sound signals by an oscillator.

The blind person hears a "beeping" tone similar to that of a telephone. With three hours of practice, a user can reliably tell the different sound "signatures" of the various denominations. •

### Now Hear This: You Can Listen at Your Own Speed

There's good news for those frustrated by slow or rapid rates of speech on tapes they listen to.

Until now, switching to a higher tape speed would make the speaker sound like Donald Duck while a lower one would plunge him into apparent death throes.

But Cambridge Research and Development Group, of Westport, Conn., has unveiled an electronic method of speeding up or slowing down recorded speech on ordinary audio cassettes.

Sony Corp. and Matsushita Elec.  
*continued on page 64B*



# How to Increase Your Power to Open Minds

The man who knows **how to get his ideas across** is the man most likely to **get ahead**. Now — begin to develop your own persuasion power by listening to this unique audio cassette "seminar" in the art of business communication. It's yours to try — and profit from — for 15 days FREE.



How's your batting average in selling the boss your ideas? Do your communications with co-workers get the *action* you want? How well do you pry open the minds of audiences you talk to? Test yourself by listening to

## 'How to Get Your Ideas Across'

**BAND 1** (each is about 5 minutes) — **Getting Across to the Boss.** Helps you time your idea and let your boss enjoy mulling over it.

**BAND 2** — **The Management Meeting.** How to make points interestingly, succinctly, effectively.

**BAND 3** — **Target Your Communications.** The subtle art of using the right language for the level of your listener.

**BAND 4** — **Make the Right Word Work for You.** Making sure your listeners get the right meaning.

**BAND 5** — **The Successful Negative.** How nice guys say "no" when they have to, without pussyfooting.

**BAND 6** — **Tons of Words, Oceans of Paper.** How to cut paperwork. A 3-step test to apply to yourself.

**BAND 7** — **Operation Communication.** A 4-point cure for hardening of the company's communication arteries.

**BAND 8** — **The StandUp Speech.** In-voice demonstration gives you ideas you can put to work immediately.

You'll hear all of this in the first cassette by mailing the coupon today.

## Listen to No. 1 in the New Series 'EXECUTIVE SEMINARS IN SOUND' For 15 Days Free!

In this first cassette you learn how to get your ideas across with the right timing — by having options ready — by compromising. You get guidelines for making your points at management meetings. See how to make the right words work better for you.

These are not dry lectures. They're skillfully dramatized "you-are-there" everyday business situations, using *sound* to challenge your mind and imagination.

You'll even hear "instant replay" moments, to reinforce the down-to-earth ideas packed into each short lesson.

Listen while you shave, or drive, or fly — or for a few moments at your desk.

All this and more are in the first audio cassette in the series "Executive Seminars in Sound." Start with it now and about every 4 weeks another valuable seminar will come to you — each on a 15-day "listening" trial.

**Additional seminars will include:** *How to Make the Most of Your Time • Your Role as a Decision Maker • Guide to Better People Management • Mastering the Art of Delegating • Organizing Your Plans and Planning Your Organization • The Strategies of Moving Ahead • How to Live with Your Own Success.*

**YES, I'LL TRY THE FIRST AUDIO CASSETTE:  
"HOW TO GET YOUR IDEAS ACROSS."**

**NATION'S BUSINESS**, Sound Seminar Division  
1615 H Street, N.W., Washington, D.C. 20006

Please send me "How to Get Your Ideas Across" for 15 days' free listening. If I'm not completely satisfied, I will return it and owe nothing. Otherwise, I will remit \$7.50 (plus a few cents handling) and expect to receive for free trial listening each additional "Executive Seminar" tape cassette to be sent at 4-week intervals. I am not required to accept any minimum number and may cancel at any time.

NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_

CITY \_\_\_\_\_

STATE \_\_\_\_\_ ZIP \_\_\_\_\_

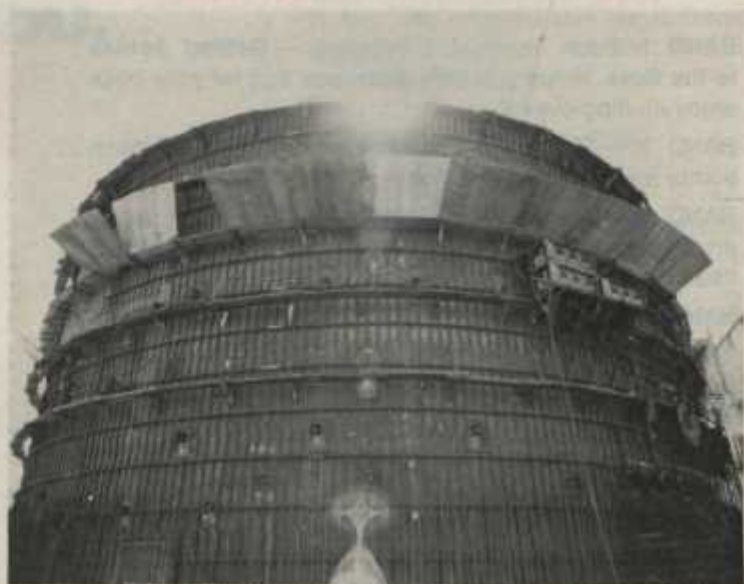




## MISCONCEPTION:

Electric utilities are doing little to support research and development for solving energy problems.

**FACT:** Actually, the entire electric utility industry in the United States is bound together, not only in purpose but in membership, to meet the nation's future electric energy needs. The Electric Power Research Institute (EPRI) was formed to coordinate nationally the industry's research and development activities, particularly those dealing with the supply of electricity. Research projects cover a wide variety of technologies. These include the breeder reactor and coal processing for the near future and nuclear fusion and solar power for the long-term future. The Southern Company system's 1974 and 1975 commitment to the program totals some \$11.2 million. In addition, the companies will be spending several million dollars on independent research activities, including solvent refining of coal and the analysis and treatment of stack gases. These programs, plus participation in EPRI, will help The Southern Company system meet, today and tomorrow, its objective of providing reliable electric power to more than two million customers in the Southeast while maintaining environmental quality.



This nuclear-fueled plant, now under construction, incorporates the latest technology in the industry.

**The Southern Company system: working toward tomorrow, today.**

Alabama Power Company Georgia Power Company Gulf Power Company Mississippi Power Company Southern Services, Inc. Southern Electric Generating Co.



by James J. Kilpatrick

## The Paperwork Blizzard

It would be interesting to circulate a questionnaire among American businessmen, asking what they most resent in their relations with government and what they would like most to see improved. My guess is that such a survey would show that government paperwork is the most resented burden, and that relief from this growing harassment would be most gratefully received.

Obviously, any such questionnaire would itself be more paperwork. The findings might be interesting and mildly useful; but filling out the form would be time-consuming and costly.

If this were a government inquiry, the questionnaire would run to three or four pages of neatly numbered boxes, all begging to be X'd. Under threat of imprisonment for late filing, the businessman would have to provide information on his product, his employees, his gross sales, his net profits, his purchases of raw materials, and the number of government forms he is required to file, as well as with whom and when. The answers would provide the cross-correlations beloved of computer programmers. In the end, it would appear that 82.7 per cent of businesses with gross sales between \$100,000 and \$150,000 "strongly believed" that government paperwork should be reduced. The final report would then be filed and forgotten.

No such questionnaire is needed. Over the past two years, Sen. Thomas J. McIntyre's subcommittee on government regulation has been inquiring into the federal paperwork burden. The evidence is overwhelming that nothing—nothing at all—amounts to greater harassment of the businessman than the record-keeping, reporting and sheer paperwork demanded by agencies of govern-

ment. The Senator's investigation deals chiefly with the federal burden, but witnesses have made it clear that state and local governments contribute heavily to the load.

From time to time Sen. McIntyre has tried to estimate what all this involves. His figures keep going up. At the last accounting he placed the annual cost to small businessmen alone of federal reporting requirements at \$18 billion. His guess is that they must fill out and file 10 billion sheets of paper every year. He cites one study in New Hampshire: Between 1961 and 1971, the cost to the small businessman of handling federal tax returns soared from \$325 to \$860. The Senator has been wholly unable to get a fix on the number of different forms in use. These proliferate like summer flies. His staff once counted 5,298 different federal forms, excluding those of the Internal Revenue Service, but the figure is no reliable indication of the total.

Last December Sen. McIntyre spent a day looking into the five-year Economic Censuses. This monumental statistical inquiry was begun in 1954. It now involves somewhere between 250 and 300 different forms. The survey takes in 5.5 million firms; in manufacturing companies, it excludes only those with fewer than 10 employees; in distributive trades, it excludes only those with fewer than four. To any small businessman unfortunate enough to receive the basic 12-page form, said Sen. McIntyre, "it means a tremendous sacrifice in time and energy that might otherwise be devoted to more productive pursuits."

The Senator said that he did not intend "to deny the worth of these statistics," and he was careful to add

that "America needs this data." He was satisfied that "in the aggregate the benefits provided by these statistics far exceed the costs of collecting them." He was being polite.

His principal witness, William F. Shelton, was not so polite. He is an accountant in Louisburg, N.C., specializing in small business work. So far as he is concerned, "the saturation level has been reached." He regards the collected data as virtually worthless: "I know of no business that used any of the census statistics in any way, even though they must supply this information."

Mr. Shelton had some horrid examples. A small ready-mix concrete company was appalled to find that it was compelled to fill out a form demanding to know "gallonage use of industrial water" and "number of short tons of material used" and "manpower production hours per quarter year," along with a dozen other questions that meant hours of clerical work. The maddening thing about this form was that much of the information also had to be prepared, on different forms, for such other agencies as the Bureau of Labor Statistics.

One of Mr. Shelton's clients, a tobacco farmer, got Form OMB 41-S71100. Among other things, this form wanted to know about "nine different categories of tobacco by the acres planted, pounds harvested, numbers of irrigated acres, harvest for the irrigated acres, acres treated chemically with pesticides and fungicides in four different categories, and treatment by contract method or your own equipment in five different categories." That was only the beginning of the form.

"The farmer involved," said Mr.



## The Paperwork Blizzard *continued*

Shelton, "was no more qualified to fill out this form than a fourth-grade student."

Frederick L. Williford, director of government affairs for the National Federation of Independent Business, was equally critical. Filling out most of the forms, he said bluntly, is "non-productive." The paperwork requirements drain away the time of a small businessman. Typically, such a businessman has no computer-based accounting system; he has to develop the data by tedious hand computations. And when he is finished, the figures are useless to him.

Vincent P. Barabba, director of the Bureau of the Census, responded to these criticisms. He acknowledged the burden on businessmen, but insisted this is held "to an absolute minimum." All questionnaires and forms, he said, are subjected to stringent professional review before they are put to use. Efforts are made to encourage employment of the data by the business community. Ten conferences are planned for 1974 on the Economic Censuses.

To the bemused reader of these hearings, it seems evident that the benefits are mostly from government to government. Census Bureau tapes are deposited in 170 processing centers. A 1972 analysis of their clients indicated that only 30 per cent were businesses; the rest were government agencies, universities and other public bodies. Mr. Barabba noted with some pride that a series of intergovernmental seminars have attracted "578 officials from federal, state and local governments." He was pleased to report that "more than 200 planners and systems analysts" had attended seminars for training in the use of the Geographic Base Dual Independent Map Encoding system, which "describes the entire street network of more than 200 cities and their suburbs."

He called attention to another service in which the Bureau each month provides the agencies of 14 state governments with copies of a "Report of Building Permits Issued and Local Public Construction" for approxi-

mately 4,000 places. The copies are provided at "no charge."

Well, one asks, at no charge to whom? The Bureau of the Census, with 6,500 employees, is the largest unit of the Social and Economic Statistics Administration. All told, including the Census Bureau, SESA has 7,500 employees. It is, said Mr. Barabba, "the largest statistics-gathering agency in the world." Said Sen. McIntyre: "Wonderful."

The economic data demanded of businessmen constitute only a small part of the paperwork burden. Mountains of other data must be filed with the Internal Revenue Service, the Bureau of Labor Statistics, the Social Security Administration, the Occupational Safety and Health Administration, the Consumer Products Safety Commission, the Federal Trade Commission, and so on and so on. A typical mom-and-pop operation, the smallest of all small businesses, must file an average of one federal form every two weeks throughout the year.

An army of government employees is maintained to create statistical tables chiefly for other government employees. One wonders: Of what conceivable value is it for a city official in Norfolk to know *every month* how many building permits have been issued in Spokane?

Last August the General Accounting Office estimated the government's own paperwork costs, for the preparation and filing of written material, at \$15 billion a year. Reports and forms make up one fourth of that sum. These expenses keep soaring: Federal paperwork in 1973 cost \$7 billion more than in 1966, and \$11 billion more than it cost in 1955.

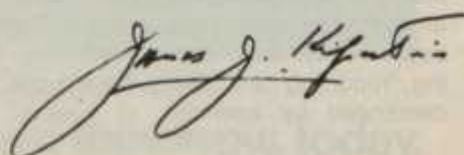
Sen. McIntyre has proposed a number of reforms. His first target is the Internal Revenue Service, which generates about 35 per cent of all federal forms. He wants action taken to halt the growth of IRS demands. It is ridiculous, he feels, for small businessmen to spend 130 million man-hours a year in nothing but paperwork. (The estimate comes from the Office of Management and Budg-

et, and does not include IRS paperwork.) The Senator proposes to consolidate many quarterly requirements into annual requirements, to simplify Social Security reporting, and to reduce the wildly duplicative inquiries that now harass the citizen.

Something has to give. Manifestly, many of the forms and reports demanded of the businessman are indeed essential to the orderly operation of government. Sensible policies cannot be made in the dark. Revenues have to be accounted for, and taxes have to be paid. No one questions this. It is even arguable that in some areas—notably the petroleum industry—the government has failed to collect enough statistics in the past.

But we live in a time of rapidly expanding government at every level. Such relatively recent arrivals as the Occupational Safety and Health Administration and the Consumer Products Safety Commission threaten to add enormously to the harassments of the builder, the manufacturer and the merchant. The businessman, swamped in paperwork, might echo the complaint that Chief Justice Burger has made about the courts, which are swamped in litigation: Congress appears to give little or no thought, when it creates a new agency, to the consequences its act may set in motion. We likely will see an example of this before the end of 1974, when Congress creates some form of National Health Insurance: The program will add one more high hill of forms and reports to the mountainous range that now exists.

Can this costly and wasteful trend be stopped? It will not be stopped unless the nation's businessmen succeed in arousing their members of Congress to the worsening situation. Paperwork is pollution—paper pollution. The country has succeeded in bringing other forms of pollution under control, and if a sufficient effort is made, paper pollution can be abated too.





# CORELLE LIVINGWARE BY CORNING. FREE FROM BIC.



Buy Bic ball pen pre-pack  
C-3888 and get a \$21.60 set of  
Corelle® Livingware free.

With this special deal not only will you be set, so will your table. You'll not only get 12 dozen M-19 medium point ball pens and 6 dozen AF-49 accountant fine point pens, but you'll also receive, *free*, a 16-piece set of that amazing Corelle Livingware by Corning. (It's guaranteed for 2 years against breaking, chipping and staining.) That's enough to serve 4, consisting of

4 each of dinner plates, bowls, cups and saucers. If you'd like more, buy two pre-packs. And get enough to serve 8.

Offer available only from your regular office supply dealer while stock lasts. Ask for DEAL C-3888, in standard ink color assortment, or solid ink colors blue, black or red.



Offer not available in Canada.



# CRIMEPROOFING YOUR BUSINESS

Some businessmen suffer a serious loss before they realize how important it is to take preventive protective action. Smart management men are arming themselves with information on how to find, cut and stop profit losses from burglary and other key dangers — pilfering, armed robbery, bad checks, shoplifting and personal attack.

## Answers you can use today.

Nation's Business Executive Seminar in Sound has put it all together in a tough-minded loss prevention program on tape. Definitely not a text book course, this six cassette seminar gives you fast, authoritative information — effective, down to earth "how to" ideas. And to get the inside story, we'll put you "in conference" with law enforcement officers, security specialists, private investigators, even professional criminals. You can listen to it alone at work or at home. Good for group training, too.

## Try it for 10 days—on us.

The whole package which includes six cassettes, a study guide and a handsome binder sells for only \$65. Naturally, you may choose individual tapes for \$10.95 each. Charge them on your credit card. If for any reason you decide not to keep these valuable tapes, you may return them to us within ten days and receive a full refund.

## Produced and ready to ship—no long waiting.

Complete the order form and start taking advantage of the many ideas in this series right away. We're confident that Crimeproofing Your Business will pay off in profits, safety and peace of mind. Don't delay, order today!

**Six dramatic cassettes present realistic crime-stopper ideas for your business.**



**Here's what the experts tell you:**

### Burglary

You'll discover how to tell if your place is being cased, learn how you can avoid an inside job, get a practical checklist for securing your business at the end of the day, and suggestions on what to do should a burglary occur. A convicted burglar reveals the special techniques professional burglars use and suggests some ways you can thwart them.

### Personal Protection

Some ways you can protect yourself, your employees, your family and your company. Experts answer these questions: Should a businessman arm himself? What can you

do about midnight intruders? How do you handle a bomb threat? And more.

### Pilfering

Professionals — inside and outside the law — tell you what a typical pilferer looks like, how to plug expensive pilferage leaks, ways employees pilfer, how they move the stolen goods, how undercover investigators can help you, ways to screen new employees and new ideas in electronic surveillance.

### Shoplifting

Where do shoplifters like to "shop"? You'll find out as you listen to convicted shoplifters tell how you make their job easy. Learn the telltale signs which expose shoplifters, how store layout, employee surveillance and protective devices can reduce the threat, and what legal action you can and cannot take against shoplifters.

### Armed Robbery

The smallest crime against business in terms of dollar loss, but the most dangerous in terms of personal injury to you and your employees. Learn how to reduce the odds of being robbed, reduce the risk of personal injury, minimize the loss to the robber, and make it easier to capture the criminal and convict him.

### Bad Checks

You'll hear professional check writers discuss their techniques for unloading bad checks on eager and unwary businesses. You'll pick up tips on how to recognize a fraudulent check, discover the key flaws that signal trouble, suggestions for implementing a sound check cashing policy.

• • • • •  
● **NATION'S BUSINESS,**  
● Sound Seminar Division,  
● 1615 H Street N.W.,  
● Washington, D. C. 20006

NB-2

● ☐ Please send me **CRIMEPROOFING YOUR BUSINESS** which includes six  
● cassettes, study guide and vinyl binder. \$65

● ☐ Please send me the individual tapes circled below at \$10.95 each.

● ☐ **Burglary**      ☐ **Personal Protection**      ☐ **Pilfering**  
● ☐ **Shoplifting**      ☐ **Armed Robbery**      ☐ **Bad Checks**      \$ \_\_\_\_\_

● ☐ Check is enclosed for \$ \_\_\_\_\_

● ☐ Charge to my credit card:  
● American Express, Acct. No. \_\_\_\_\_

● BankAmericard, Acct. No. \_\_\_\_\_ Expiration date \_\_\_\_\_

● Master Charge, Acct. No. \_\_\_\_\_ Expiration date \_\_\_\_\_

● Interbank No. \_\_\_\_\_

● Signature \_\_\_\_\_

● Name \_\_\_\_\_ Title \_\_\_\_\_

● Organization \_\_\_\_\_

● Street Address \_\_\_\_\_

● City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
● • • • • •



## sound off to the editor

### Can Communities Say: "No Vacancy"?

Unrestricted migration to other parts of the country traditionally has been considered an inalienable American right, a right exercised by countless millions ranging from settlers of the West to modern-day seekers of a sunnier clime or a home in a neighboring county.

Now, some communities are restricting that right.

A 1972 legal judgment allowed the community of Ramapo, N.Y., to continue a building moratorium while developing a 20-year growth plan. More recently, Fairfax County, Va., banned nearly all construction, at least temporarily, after permits already issued are used. Both are so-called bedroom areas—one near New York City, the other near Washington, D.C.—and the goal hasn't been to halt all economic growth, but simply to hang out a no-vacancy sign for would-be residents.

Similar steps have been taken in

other communities, which—like Ramapo and Fairfax—say population increases have outstripped availability of water and sewer connections. And some communities are opting for building bans even when those services are available.

In January, a federal judge ruled it was unconstitutional for a city—Petaluma, Calif.—to limit its growth.

Petaluma's voters had barred annexation of unincorporated areas for five years, so as to discourage developers from building outside the city limits in hopes of getting their developments annexed and of then receiving city sewer and water.

No city, the judge ruled, could preclude newcomers from settling in its area.

Those who agree on this constitutional point also argue that with federal funds going to cities to improve their services, these services belong to all the people.

Also, foes of population growth restrictions say, in some instances the real reason for the restrictions is to prevent the building of public housing which would bring in lower income families.

Not so, say those who favor permitting restrictions. They say a community should be able to ensure that there is no overloading of water and sewer service, and that it doesn't run afoul of stiff federal antipollution laws. Also, they insist a community has the right to protect itself against land development firms which want to bounce in, build whopping projects, and then fold their tents and quietly leave the locals to deal with sewer and water problems.

Local authorities must be allowed to insist on an orderly phasing in of new residents, they say.

What do you think—should a community have the authority to keep out newcomers?

Jack Wooldridge, Editor  
Nation's Business  
1615 H Street N.W.  
Washington, D.C. 20006

Should a community have the authority to keep out newcomers? ☐ Yes ☐ No

Comments:.....

.....

.....

.....

.....

.....

Name and title.....

(PLEASE PRINT)

Company.....

City.....



## A Vote Against a Fourth Branch of Government

Freeing America's chief legal officer from Presidential control would unjustifiably add one more complication to a government already grown too complicated.

That is the view most frequently expressed by *Nation's Business* readers responding to the February "Sound Off to the Editor" question: "Should we have an independent Attorney General?"

The invitation to comment noted proposals to insulate the Attorney General from pressures other than his obligation to uphold the law, either by giving him a fixed term and making him subject to firing by the President only for "neglect of duty or malfeasance" or by making him removable only through impeachment. It also noted that most states' chief legal officers are elected by the people and answerable to them alone.

Also cited was the counterargument that the practice of having the Attorney General appointed by, and

effect set up a czar, and no single man should be given such power."

Herbert Frost, regional vice president, Gulf Oil Co.-U.S., Tulsa, Okla., writes: "If I am correct, under the U.S. Constitution, the Congress enacts the laws and the Executive branch is responsible for seeing that such laws are obeyed. To have an independent Attorney General would create another branch of government, which I believe is unnecessary."

On the other side, Raymond R. Lucore, director of marketing, Public Service Co. of Colorado, Denver, Colo., believes: "The entire Justice Department, including the Federal Bureau of Investigation, should be independent of either the President or Congress. 'Equal justice under the law' can occur only if investigation and prosecution are independent of specific political consideration."

Says Gerard E. Keidel, senior vice president, American National Bank, Chicago, Ill.: "An Attorney General elected by the people and responsible only to Congress would be an improvement."

Arthur L. Joynes Jr., a draftsman for The American Fabrics Co., Bridgeport, Conn., says events of the past two years show that "when the chips are really down and the services of the Attorney General are desperately needed by the country, he becomes merely a puppet of the Executive branch. This is why he requires independence."

Opponents of the independent Attorney General concept, however, argue it is inadvisable to rush into change just because of the Watergate disclosures.

"Changing the rules in the middle of an emotionally charged controversy is poor judgment," says E.U. Sowers 2d, board chairman, Sowers Printing Co., Lebanon, Pa. "The present system did not produce the current problems and we should live with it until we can evaluate the historical background."

Writes Theron I. Gilliam, executive

vice president, General Fidelity Insurance Co., Richmond, Va.: "I believe a three-branch government has proven value. Watergate isn't the first test our government has seen."

And N.G. Black, superintendent, Wee-Sox Hosiery Mills, Walnut Grove, N.C., says in casting his No vote: "There are too many chiefs now trying to run the country." We are, he adds, in a crisis caused by "too many people wanting to do their own thing."

But Cornelis Van Spronsen, vice president, Nylong Corp., Cleveland, Ohio, argues: "The administration of

---

**"When the chips are really down . . . he becomes merely a puppet of the Executive branch."**

---

justice is nonpolitical and should be completely separated from the Executive and Legislative branches of government."

Dr. Sidney J. Weiss, a dental surgeon in Los Angeles, Calif., agrees: "An independent Attorney General is essential to curb executive power," he writes. "I believe also that impeachment by the Congress should be the only way to remove him. It must not be left up to the President."

W.G. Ford, president, Dispos-All, Inc., Madison, Ind., also says that he favors an independent Attorney General—"as long as he remains independent, showing no favoritism to either party, regardless of which is in power."

On the majority side, though, is Joseph N. Gregory, a geologist and mining engineer in San Angelo, Texas. "Let us not set up a fourth branch of government," he says. Mr. Gregory has a special interest in the subject—his father served President Woodrow Wilson as Attorney General for more than five years.

---

**"There are too many chiefs now trying to run the country."**

---

accountable to, the President has generally worked well and that making him independent would be tantamount to creating a fourth branch of government, which could upset the traditional balance between the Executive, Legislative and Judicial branches.

The Nos have it, five to three.

"The system works; let's not complicate it with more overhead," writes R.L. Ackerman, director of management development, Dr Pepper Co., Dallas, Texas.

W.S. Yunker, sales manager for Beloit Corp.'s Jones division, Mobile, Ala., says establishment of an independent Attorney General "would in



Can you collect your past-due accounts for **\$4.84** each?



ACCOUNTS RECEIVABLE AGING SHEET				UNIT PER COLLECTION	CARRIER
TOTAL PAST DUE	30 DAYS	60 DAYS	90 DAYS		
1,336.72	252.02	505.60	579.10	4.84	PAID IN FULL
131.85	30.65	45.20	56.00	4.84	PAID IN FULL
5,288.63		1,576.13	3,712.50	4.84	ARRANGEMENT
979.35	57.75	186.57	735.03	4.84	PAID
196.77	53.17	76.10	67.50	4.84	PAID IN FULL
747.87		65.20	747.87	4.84	ARRANGEMENTS MADE FOR PAYMENT
151.12	50.82	4,110.18	6,070.65	4.84	PAID IN FULL
10,180.83		373.92	117.67	4.84	PAID IN FULL
551.55	59.96	186.50	692.19	4.84	PAID IN FULL
1,150.94	272.25	1,248.76	917.83	4.84	PAID IN FULL
2,668.62	502.03				

**We can.**

Slow pay is a major threat to your most precious asset — your working capital. It can reduce your cash flow to a sluggish trickle.

Trans-American Collections, Inc. will increase your working capital by recovering your past-due accounts, including contracts, notes, deficiencies, bogus checks and insufficient fund checks.

TAC offers you an unmatched recovery service: we will collect your delinquent accounts for a flat, one-time fee, as little as \$4.84 per account. No hidden charges ever. Furthermore, the money is directed to you, not to Trans-American.

Last, but not least, TAC provides complete, specific instructions that make our system quick and easy to use; and it's guaranteed!

These are some of the reasons why Trans-American is one of the largest and most respected collection services in the United States, Canada, Puerto Rico and Mexico. (Our services are offered in English, French and Spanish).

Contact us today for full information on how we convert debtors to customers for \$4.84. Ask about full details on our guarantee too!

*Trans-American Collections, Inc. has no affiliates.*



Jump into the 20th Century of Computer Collections. Fast, low-cost, efficient.

**Everyday counts!**  
Mail coupon with business card to

**TRANS-AMERICAN COLLECTIONS, INC.**  
1210 Towanda Plaza, DEPT. NB 1-4  
Bloomington, Illinois 61701

DISTRIBUTOR INQUIRES INVITED

**TRANS-AMERICAN COLLECTIONS, INC.**

Client Relations Department: NB 1-4  
1210 Towanda Plaza, Bloomington, Illinois 61701

Name

Firm

Address

City  State  Zip

Phone

They have Pilot Group Permanent life insurance.

Like group term, Pilot Group Permanent provides family protection—which is good.

Unlike group term, Pilot Group Permanent also provides living benefits—which is better. It builds cash values. At retirement, it offers the choice between cashing in the policy, continuing payment, or collecting retirement income guaranteed for life.

And, best of all, Pilot

Group Permanent offers all the benefits of permanent life insurance at about half the cost of an individual policy. That's because employees choosing the plan share premium costs with their company. (If an employee leaves the company, he can assume full payment and take his policy with him.)

Those are the reasons why it's a great feeling to be in for life—when it's Pilot Group Permanent.

GROUP DIVISION, PILOT LIFE INSURANCE COMPANY  
BOX 20727, GREENSBORO, N.C. 27420.



**Pilot  
Life**  
GROUP  
INSURANCE







## Our Job Safety Law Should Say What It Means

BY ROBERT D. MORAN  
Chairman, Occupational  
Safety and Health  
Review Commission

*In 1970, Congress enacted a law to protect the health and safety of American workers.*

*Surely, no one could quarrel with that. Yet the law was greeted instantly with a chorus of boos and a barrage of brickbats.*

*Nor has time stilled its critics. Today, almost four years later, the Occupational Safety and Health Act has about as many warm friends as acne has.*

*Why did legislation so well intended misfire so badly?*

*In this article, an expert gives his answer. He is head of an independent agency created by Congress to hear and decide appeals from rulings by Occupational Safety and Health Administration inspectors.*

It is generally agreed that the objectives of the Occupational Safety and Health Act of 1970 can be fully achieved only when all employers are persuaded to comply voluntarily with its requirements.

I share this belief.

But I also believe that many of the existing job safety standards, as written, don't clarify what must be done to achieve compliance.

Before I get down to specific cases, let me state what I think these standards should do.

A standard is developed—and promulgated—because of the existence or the potential existence of a condition that's dangerous to the safety or health of workers. The purpose

of the standard is to tell employers what they must do to eliminate, reduce or prevent the hazardous condition.

For example: Experience has shown it is dangerous to work as a painter on the Golden Gate Bridge—or other bridges like it. The hazard is that you could easily fall several hundred feet to almost certain death.

We know this hazard could be reduced if a net, capable of catching falling workers, were strung under the bridge. Or else, if we required the painters to wear safety belts hitched in such a manner that a fall wouldn't mean a plunge into the depths of the strait that the bridge spans.

Now, writing a safety standard for this is not an insurmountable problem. The hazard to be prevented is falling from the bridge to the water below. The standard should specify what must be done to prevent the fall or to interrupt it before it can cause injury or death.

We, therefore, can see that there are two rather basic ingredients which are essential to every valid job safety and health standard:

First, identify the hazard.

Second, specify what must be done to prevent its occurrence.

If all standards included these two fundamentals in understandable language, I am sure the number of job safety inspections which result in citations for alleged violations thereof would be dramatically reduced.

And that, of course, is what every-

body wants: More compliance and fewer violations.

Even if the Labor Department's Occupational Safety and Health Administration (OSHA) tripled its staff of inspectors, a rather unlikely prospect, they could inspect only 10 per cent of America's workplaces—and do so only once a year. This wouldn't go far enough toward achieving the Act's purpose of eliminating injuries and diseases which workers receive from their jobs.

The vast majority of America's employers don't want their employees hurt and don't want to violate the law.

### Riddles for the employer

So OSHA hopes for voluntary compliance with federal job safety and health standards. But far too many standards are, to paraphrase Winston Churchill, "riddles wrapped in mysteries inside enigmas." They don't give the employer even a nebulous suggestion of what he should do to protect his employees from whatever it is, also left unexplained, which represents a hazard to their safety and health.

For example, what does the following standard tell you to do in order to avoid conditions at your place of employment which are potentially hazardous?

"No contractor or subcontractor . . . shall require any laborer or mechanic . . . to work in sur-



## Our Job Safety Law Should Say What It Means *continued*

roundings or under any working conditions which are unsanitary, hazardous or dangerous to his health or safety."

These are laudable sentiments, but nowhere does the standard hint at what these unsanitary, hazardous or dangerous conditions might be. Apparently, that has been left to the employer to guess, and for OSHA to decree with hindsight, if he guesses wrong.

With this sort of direction, the most safety-conscious employer could have no idea what to do to meet the requirements. Perhaps, such a standard can be complied with by saying "Amen" and hoping for the best.

Unfortunately, however, OSHA has issued at least one citation against an employer for his alleged failure to satisfy this standard, proposing a \$500 penalty. His alleged offense was that his employees were "required to work under an unsupported concrete placing pipeline."

Clearly, there isn't an employer in the world who can look at this standard and know that it tells him to keep his employees out from under unsupported concrete placing pipelines.

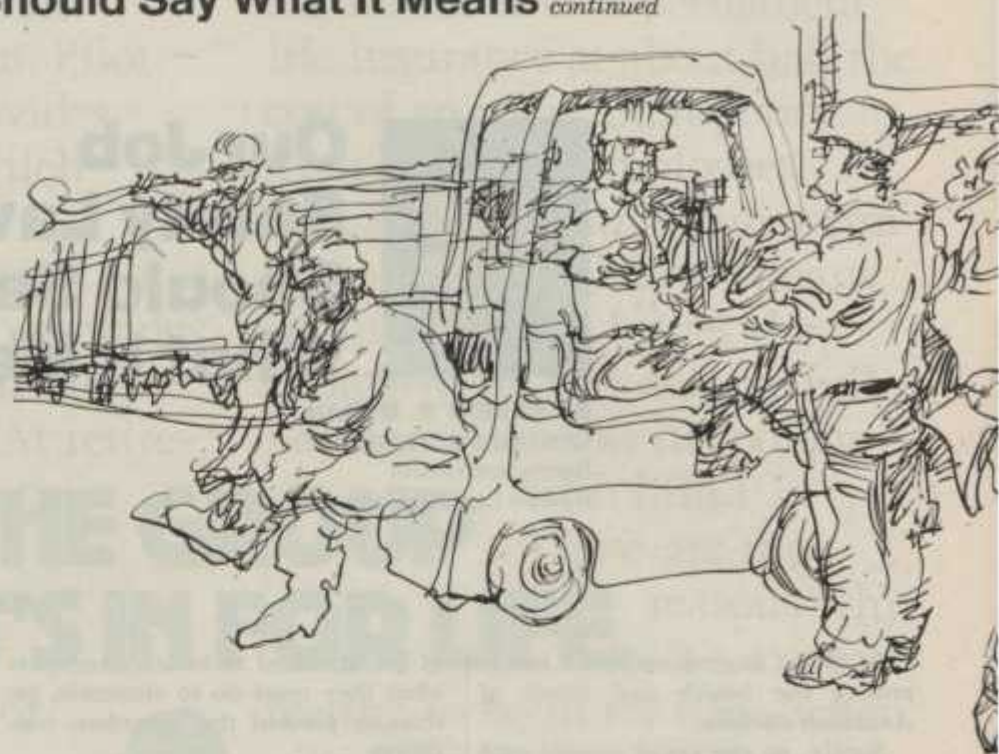
Fortunately, in this case, the employer contested the charge and the Review Commission dismissed it. But this standard is still on the books and I wouldn't be the least bit surprised to see OSHA use it again—and in a case which doesn't involve unsupported concrete placing pipelines.

What can happen when someone takes steps which he thinks meet the requirements of one of these vague standards was illustrated in a case decided by the Commission last August.

### "Other means"

The standard prohibits an employee from working "in such proximity to any part of an electric power circuit that he may contact the same in the course of his work unless the employee is protected against electric shock by de-energizing the circuit and grounding it or by guarding it by effective insulation or other means..."

In this case an employee spliced a



live electrical power line, a line neither owned nor controlled by his employer, and in performing this job he protected himself from shock by placing a piece of plywood on the ground and standing on it while he made the splice.

The means he chose were successful, since he suffered no ill effects. OSHA charged his employer with a violation because the splice was allegedly made in a manner inconsistent with the standard's requirements.

This charge, of course, was the result of hindsight. OSHA gave no hint in advance that plywood was not a means of obtaining effective insulation when splicing wire.

It seems to me that when a standard simply lists "other means" as an acceptable criterion for meeting its requirements, and does not precisely list or limit the "other means" contemplated, that standard provides no guidance for employers who want to know what OSHA expects them "voluntarily" to do.

If we don't get more specific, no one will know what will and what won't prevent the existence of the hazard. In addition, the employer is left at the mercy of the inspector

whose interpretation of what constitutes "other means" is never known in advance and will, of course, vary from inspector to inspector.

In this particular case, OSHA claimed, in effect, that the standard means the guarding shall be by using effective insulation or other methods as determined by whatever OSHA inspector conducts the investigation.

There is no way under the sun that an employer can voluntarily comply with a standard applied in this manner.

Before voluntary compliance can become fully realized, OSHA will have to heed the words of Benjamin Cardozo, the famed jurist, who stated in a decision issued over 50 years ago: "A prohibition so indefinite as to be unintelligible is not a prohibition by which conduct can be governed. It is not a rule at all; it is merely exhortation and entreaty."

### (Almost) anything goes

Let me turn now to one of OSHA's favorite standards—it must be a favorite for it turns up in so many of our cases. This particular standard is so nebulous that almost anything is covered by its umbra. I apologize for asking you to read it in full, but one





ILLUSTRATION: PAUL HOFFMASTER

has to see its full text to appreciate its all-encompassing richness:

"Protective equipment, including personal protective equipment for eyes, face, head and extremities, protective clothing, respiratory devices and protective shields and barriers, shall be provided, used and maintained in a sanitary and reliable condition wherever it is necessary by reason of hazards of processes or environment, chemical hazards, radiological hazards or mechanical irritants encountered in a manner capable of causing injury or impairment in the function of any part of the body through absorption, inhalation or physical contact."

What do you think it tells us to do?

I have no idea—and I don't think OSHA could tell you, either, before an inspection, citation, complaint, hearing and post-hearing brief.

Some people may read it and conclude it requires that hard hats be worn by construction workers. But can you be sure it doesn't also require something else? I submit that

there isn't a person on earth who can be certain he is in full compliance with the requirements of this standard at any particular point of time.

If you have some knowledge of professional baseball, football, hockey or basketball—all of which must comply with this standard—can you be sure that all employees (players) are always in full compliance? How about umpires, referees and other officials?

Once you are satisfied with your answer, please consider circus performers: the high-wire or trapeze artist or the lion tamer.

If you are a farmer or lifeguard or other employee who works out-of-doors, what is needed to protect you from skin cancer or sunburn caused by the sun's rays? What protection is needed from other "hazards of . . . environment" such as rain, wind, snow, ice, air pollution?

The answers to these questions are difficult, but bear in mind that an employer who comes up with wrong answers is subject to monetary penalties.

This particular standard has already been applied in one case which has been decided by the Review Commission.

An OSHA inspector looked at a freight-loading operation at one employer's terminal. He then made an *ad hoc* and, I think, purely subjective determination that there was "a hazard of environment" (boxes of freight that might be dropped and wheels of various kinds of material-handling equipment that could possibly roll over someone's toes) for which "extremities" (feet) required "protective equipment."

He said that meant safety shoes, but although there are many different kinds of safety shoes he didn't get more specific.

Thus, although "freight" and "wheels," "feet" and "safety shoes" are nowhere mentioned in the standard, OSHA charged that the employer violated its requirements because the employees did not have their feet covered by safety shoes.

#### Due process is your due

Now you've all heard about the due process clause of the Constitution. It requires that a potential offender have fair warning that the conduct he engages in is a violation of law. To me, the substance of this regulation simply does not afford any advance notice of the conduct





## It's a good idea, if you don't want egg on your face

Your irreplaceable business records are the precious "eggs" it pays to put in one basket. Fire-Fyter Files.

Fire attacks a business somewhere, every four minutes. And with crippling results when vital records are cremated in ordinary fire files.

Responsible business and professional people insist that vital records get the protection only Fire-Fyter files can give. That way, they know they won't have egg on their face should fire strike.

Choose from Letter, Legal, Ledger and Check Sizes. See Yellow Pages under "Safes-Meilink" for dealer.

**FREE BOOKLET:** Puts the facts on the line about record protection. Send coupon for your copy.



## MEILINK STEEL SAFE COMPANY

Box 2847/Toledo, Ohio 43606/Dep't NB4

Fire-Fyter Files • Record Safes • Money Safes  
Home Vaults®

Please send free  
Record Protection Facts Booklet.

Name \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_ Zip \_\_\_\_\_

## Our Job Safety Law Should Say What It Means *continued*

which it either requires or prohibits.

To permit enforcement of so vague a standard is to subject the employer to the unbridled discretion of OSHA inspectors in the determination of what constitutes compliance.

How can an employer voluntarily comply with standards that he could not possibly understand until after he has been cited for a particular inspector-determined infraction? And what must he do to satisfy the interpretations of the next inspector?

There are many kinds of protective equipment for one's feet. For example, stockings may guard against infections such as athlete's foot and sandals will protect you against picking up cuts on the bottom of the foot, but neither will help your toes if they come in contact with a dropped brick or an immovable object.

One inspector could say that neither stockings nor sandals constitute protective equipment for extremities but that only leather shoes with iron toes meet the requirements of this occupational safety and health standard. The next could specify that only shoes with certain nonskid soles would suffice. Another could hold that only shoes bought from a named manufacturer or retailer qualify.

I think you can see the danger in this type of yardstick. The inspector tells you what the hazard of the environment is—then he tells you what protective equipment your employees should have been wearing when he made his inspection.

Before anyone says that it is up to the Review Commission and its judges to interpret whether any particular charge constitutes a violation of this standard, let me quote from the Supreme Court's 1966 decision in the case of *Giaccio v. Pennsylvania*:

"It is established that a law fails to meet the requirement of the Due Process Clause if it is so vague and standardless that it leaves the public uncertain as to the conduct it prohibits, or leaves judges and jurors free to decide, without any legally fixed standard, what is prohibited and what is not in each particular case."

One of the principal evils of vague regulations is that they leave the definition, and therefore the creation of crimes, to the unbridled discretion of cops on the beat or local inspectors or trial court judges.

### Police state tactics?

I submit that this is one reason why OSHA has been criticized for police state tactics.

The generally accepted definition of the term "police state" is a place where the police decide what the law is—and the law may vary from policeman to policeman and from victim to victim.

We have always prided ourselves on having a government of laws, not men. This means the laws must be exact enough so that individual police officers cannot improvise upon them, amplify them or apply them differently.

Until all occupational safety and health standards are thus, employers are likely to be at the mercy of the inspectors and cries of police state will no doubt continue.

But let's forget the employer's plight for the moment.

The purpose of this law is to protect employees. This will be accomplished by providing safe and healthful working conditions for all. Unfortunately, however, such a state of affairs cannot be achieved until employers are regulated by job safety standards which set forth meaningful and clearly discernible requirements by which they can guide their conduct; and the full scope of these requirements must be obvious to every prudent employer upon a reading of the standard.

Presenting employers with a quicksilver of standards, such as those described here, cannot save a limb and will not save a life.

Indeed, such standards may serve to delay improvements in job safety and health conditions, as puzzled employers either await clarification of what is expected of them or think they are presently doing all that such standards require.

So long as job safety and health standards remain shrouded in ambiguity, the gains we make in safety and health conditions on the job will be equally ambiguous. **END**



# panorama of the nation's business

By VERNON LOUVIERE  
Associate Editor

## An Employer Shows Extra Concern

Corporate responsibility sometimes takes unusual forms—such as exposing employees to the most expert knowledge available in a given field.

Charles E. Fraser, 43-year-old developer of picturesque Hilton Head Island off the coast of South Carolina, is concerned enough about the health of his employees to bring them together periodically with some of the foremost specialists in physical and mental health care.

Mr. Fraser, president of Sea Pines Co., has been sponsoring a series of symposia at Hilton Head to which not only the employees of Hilton Head and seven other Sea Pines resort properties are invited, but residents as well.

So far, these daylong seminars have focused on cardiovascular diseases, child-parent relationships, drug and alcohol abuse and the psychosexual dynamics of family life.

"I feel we have a corporate responsibility not only to our communities but to our employees," says Mr. Fraser. "It occurred to me there is a great deal of knowledge in the health field that simply is not being disseminated. I believe that bringing these experts in will help spread that knowledge."

And such knowledge is spread even further, since videotapes of each meeting are made available to clubs, schools, medical societies and other groups.

"The results have been most encouraging," Mr. Fraser reports. "On an average, about 40 per cent of our employees at Hilton Head have been attending. And our island residents are showing similar interest."

Mrs. Clara Williams, a secretary, who has attended all of the sessions, says, "These talks by experts have certainly enlightened me. I'm a grandmother and even the symposium on sex gave me some insights that help me in my relationship with my child and my grandchildren."



Charles Fraser (shown at his Harbour Town on Hilton Head Island) feels he should fill in gaps in his employees' knowledge about health problems.

Charles Fraser puts heavy emphasis on youth in his management team (the average age is 32; he hired 11 Harvard M.B.A.'s last year alone) and it goes without saying he wants to keep them healthy.

"We feel that if we can significantly reach our top people with these health symposia," he says, "we will have added to their physical well-being as well as the well-being of the corporation." •

## Sniffing and Munching to Aid the Environment

People, catfish, honeybees, ducks and sugarcane play important roles in preserving the environment in and around Dow Chemical Co.'s huge industrial complex in Plaquemine, La.

Not only are environmental specialists on the lookout for pollution, but rank-and-file Dow workers are trained and encouraged to use their senses to detect signs of breakdown in a stringent company ecological impact program.

Charles Halphen, director of the Plaquemine program, says it is designed "to touch the lives of all employees and to take advantage of their natural concern for the environment."

Employees usually stand in line to volunteer to take part in one activity,

aimed at checking on liquid effluents from the 14 plants in the complex.

Their motives are not altogether altruistic—they want to eat fried catfish, a piscatorial delicacy in southern Louisiana.

Some of the catfish are exposed to effluent water and some to normal river water pumped into the plants. Workers at these fish fries try to determine if taste is affected by the absorption of chemicals from the effluents (there's no health hazard). They generally find no difference.

In another part of the program, volunteer "sniffers" are given flasks of water from effluent ditches and the adjacent Mississippi River (again, no health hazard), as well as pure water, in an effort to see if there is a buildup of unpleasant odors. The "sniffers" are generally nonsmokers, who have greater sensitivity to odors.

"We call this a 'look in your own

backyard' approach to environmentalism and it has given employees a better understanding of their own role in reducing pollution," says Mr. Halphen.

As for ducks, waterfowl living on company canals provide useful clues to the quality of the water. Laboratory technicians check to see if there is concentration of chemicals in the ducks' tissues. Pollen collected by honeybees in the area is a source of information in a quest to keep the air clear of contaminants. Similarly, sugarcane and other crops native to the area are used in tests to determine the effects of exposure to hydrogen chloride and chlorine.

Since the environmental impact program was formalized in 1970, Dow has modified several operating units at Plaquemine, significantly reducing discharges into the air and water. •

*continued on next page*



## Why a Bounty Sails in the Great Plains

One would hardly expect to see the *HMS Bounty* bobbing up and down in a lake on the plains of Iowa. Or, for that matter, a factory by the lake turning out marine equipment.

If Byron Godbersen hadn't taken his family on vacation to the lake country of northern Minnesota, that sight would be nonexistent. But it does exist—because of that vacation trip and because Mr. Godbersen, raised on an Iowa farm, is one of those people always looking for a way to build a better mousetrap.

When he returned to Iowa after World War II service he began looking for easier ways to unload wagons full of corn. Working in a garage behind his home in Ida Grove he turned out a hydraulic hoist in 1954. Midwest Industries, Inc., was born. Soon, as more and more farmers learned of this labor-saving device, a thriving business developed. A small factory was built. A distributorship was created.



*Imagination has been bountiful for Byron Godbersen, shown at his lake with its replica of the Bounty and Iowa Gov. Robert D. Ray (left).*

Five years later, while on the family vacation in Minnesota, Mr. Godbersen struggled to get a boat in and out of the water, and saw others struggling, too. Back in Ida Grove, he put his mind to work again.

The result: He invented a dock hoist for removing small craft from the water and storing them.

However, marketing marine equipment in the middle of the plains without a body of water on which to demonstrate it wasn't easy.

"I solved that by building an eight-

acre lake," Mr. Godbersen recalls. "But I still needed a nautical environment to attract buyers accustomed to water."

He went to Hollywood and got the plans for the vessel used in the movie "Mutiny on the Bounty." His craftsmen turned out a half-sized version of the *Bounty* within a few weeks. They added to that a half-sized version of the historic lighthouse at Cape Hatteras.

Midwest Industries' output today is divided between marine equipment and farm equipment, with some of the latter also featuring Godbersen inventions (he has been awarded 20 U.S. patents). Midwest does \$10 million worth of business annually.

Last year, Byron Godbersen was named Small Businessman of the Year by the Small Business Administration. This year he received the Albert Gallatin Award, established by the Zurich-American Insurance Companies and given annually for business success and civic involvement.

"Yes, I can attest, opportunity is still here in America," Mr. Godbersen says. •

## An Athlete Can Really Make Points in an Ad

When Bill Russell sinks that basketball shot in the television commercial and says, "Don't pass off to the operator—dial the call yourself," you better believe it.

AT&T's long lines division, which sponsors the commercial, reports the athletic great has a "believability" response that you wouldn't believe. And it has scientific proof.

It went to the Walt Wesley Co., in Sierra Madre, Calif., to see if Mr. Russell's believability is as high to an audience as AT&T thought when he was featured in two commercials aimed at encouraging telephone customers to save money by direct dialing.

The West Coast firm has developed a technique similar to the lie detector test (it's called "arousal") to gauge a viewer's reaction to the credibility of

TV commercials. Sensors attached to the viewer's fingers measure the opening and closing of sweat glands, indicating levels of emotional response. A typical test audience is 25 persons.

"Many times, when you use an athlete in a commercial or advertisement the athlete comes out on top and the advertiser second best," says Dan E. Hutchins, advertising director of AT&T. "Bill Russell's believability rating about our message went right through the ceiling in the Wesley test." (Audience reaction to Mr. Russell, it seems, is as intense when he's talking about telephoning as when he's making a dramatic field goal.)

Mr. Hutchins' assessment of a star athlete's worth in plugging a product was borne out in a "sports insight" survey of 2,500 men by Alan R. Nelson Research, Inc., of New York.

The survey group was shown a list of names of athletes who endorse products to determine their recogniz-

ability. Then the men were asked to rate the athlete's believability in endorsing a product. Willie Mays ranked first in recognizability but 31st in believability, the Nelson firm said, while Joe Namath came out second as far as being recognizable but 156th as a creditable endorser. Mark Spitz was 22nd in the former and 179th in the latter. But venerable Stan Musial, who ranked 25th in recognition, topped the list for believability. Bill Russell, former Celtics star and now coach and general manager of the Seattle SuperSonics, was not on the list.

Walt Wesley, president of the firm that bears his name, says AT&T had a concern about the Russell commercial which his company's testing showed was unfounded. AT&T, he says, "felt the commercial should be aired before predominantly male audiences. Actually, Bill Russell comes across just as strongly with women." •

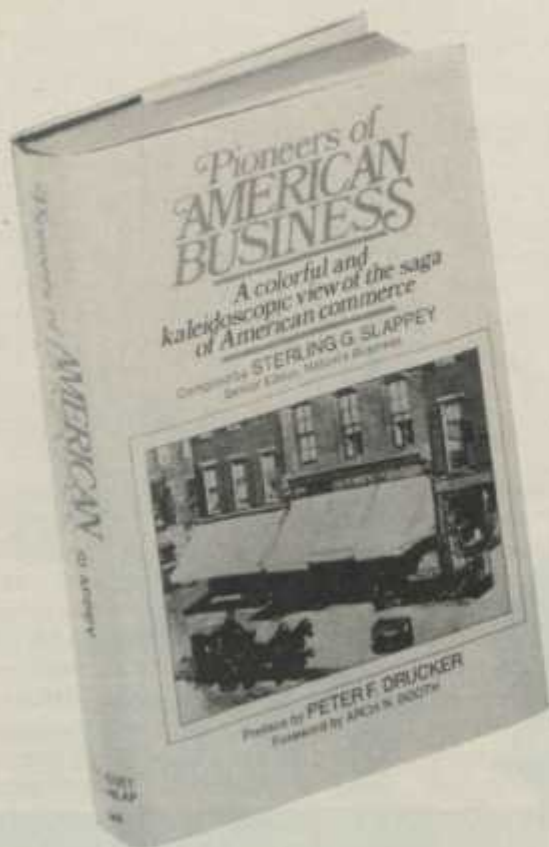


## Announcing!

A fascinating 300-page volume for every businessman—from the editors of Nation's Business and Grosset & Dunlap, Publishers

# Relive the Human Drama That Is the Heritage of American Business!

Meet the immigrants' sons, the inventive geniuses, the brave idea peddlers who became the founding fathers of today's corporate giants—in this unique new book.



Amadeo Giannini packed all the Bank of America's money under a crate of oranges to flee the San Francisco earthquake . . . Cyrus K. Holliday founded a city, helped develop a state, and built the great Santa Fe Railway . . . Gail Borden chased around the country trying to sell the condensed milk he knew could save babies' lives . . . Willis Carrier staged a 6-round boxing bout to lure an audience to his invention—an air-cooling machine. All great men, who through inventiveness, guts and sheer luck became the founding fathers of today's corporate giants . . .

Now, for the first time, in a handsome new collector's volume, **PIONEERS OF AMERICAN BUSINESS**, you can relive the colorful, dramatic—and little known—stories of 49 of these great forefathers of modern business. **PIONEERS OF AMERICAN BUSINESS** will launch you on a magnificent journey through more than a century of intriguing personalities . . . improbable alliances . . . accidental "breakthroughs" . . . courageous commitments . . . and pure human drama that is the heritage of America's businessman.

Against a backdrop of the Wild West, the Civil War, natural disasters and plain-do-or-die economics, you'll share in the personal struggles and successes that launched Gillette, Coca-Cola, 3M, Swift, Ford Motor, Montgomery Ward, Hertz, GE, Exxon, Wells Fargo and dozens more where entrepreneurial imagination has had a profound effect on the direction of American business.

And the reasons for success are relevant even today—as you'll see when you learn:

- \* Why R.H. Macy's store was a smashing success in New York after dismal flops in Boston and California.
- \* Why the world's biggest bank is in San Francisco.
- \* What sent New York Life ahead at the very time other insurance companies were dropping out like flies.

Each story, authored by a top executive of the title company, is a concise, highly readable reminder that even the largest corporate giant started with one, lone, hope-filled individual. And, to capture the true spirit of American business' "pioneering" days, over 100 nostalgic illustrations of the people and events involved accompany the stories.

So come, experience the rich, human heritage of American business—send for your copy of **PIONEERS OF AMERICAN BUSINESS** today. Simply complete and return the coupon below to Nation's Business, "Pioneers of American Business", 1615 H Street, N.W., Washington, D.C. 20006.

NATION'S BUSINESS "PIONEERS OF AMERICAN BUSINESS"  
1615 H Street, N.W., Washington, D.C. 20006

Gentlemen:  
Please send me \_\_\_\_\_ copies of "Pioneers of American Business"  
at \$7.95 apiece postpaid.\*

\_\_\_\_\_ My check is enclosed.

\_\_\_\_\_ Charge to my:

Account No. \_\_\_\_\_

Expiration Date \_\_\_\_\_

American Express \_\_\_\_\_

BankAmericard \_\_\_\_\_

Master Charge \_\_\_\_\_

Bank Number \_\_\_\_\_

Signature \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_

Zip \_\_\_\_\_

\* D.C. residents please add 4% sales tax.



## At Last, Congress Moves Toward Budget Reform

After 107 years of split authority over income and outgo on Capitol Hill, there has been action to put it all together

*Share*

Rep. Al Ullman (D.-Oregon), cochairman of Congress' budget reform panel, sees "discipline" as an essential ingredient in the attainment of its goals.





It went relatively unnoticed among efforts to deal with massive problems confronting the national government in the years just after the Civil War.

Congressional leaders had found that the House Ways and Means Committee and the Senate Finance Committee, which historically had responsibility for both taxation and spending bills, were becoming overburdened by a fast-changing economy's demands.

Even though the wartime spending peak had passed, the 1866 budget of \$357 million was nearly six times that of prewar 1860.

To spread the work load, it was decided in 1867 that henceforth the Ways and Means and Finance Committees would deal only with revenue measures. A separate Appropriations Committee would be appointed in each house with jurisdiction over spending bills.

Now, over a century later, a leader in a Congressional move to bring today's runaway federal spending under control says "that's where the problem began."

Rep. Al Ullman (D.-Oregon), co-chairman of Congress' Joint Study Committee on Budget Control, sees a direct link between the 1867 decision and the fact that annual federal spending is heading past the \$300 billion mark.

"As long as we had one committee looking at both revenues and expenditures," he told NATION'S BUSINESS, "we had a discipline. But we lost that element of fiscal responsibility."

Surprising as it may seem to businessmen, there has been no official machinery in Congress for joint consideration of overall federal revenue and expenditure totals since those functions were given to separate

committees 107 years ago. Says Rep. Ullman: "This Congress and this nation have been operating for too long on a budget system that does not put it all together."

Restoration of the "discipline" imposed by joint consideration of revenue and spending is at the heart of sweeping proposals drafted by the Study Committee on Budget Control. These proposals were approved by the House, 386-23, in December and by the Senate, 80-0, as this edition of NATION'S BUSINESS went to press.

[Budget reform has been talked up in both houses for some time. See "A Plan to Make Federal Budgeting Make Sense," by Sen. William E. Brock III, NATION'S BUSINESS, December, 1972.]

The House has taken the lead on budget reform because all tax and appropriation bills originate there.

### What would happen

These are the key elements of the House-passed plan, which some advocates of budget reform feel does not go far enough but which they nevertheless feel would be a major improvement:

- Creation in the House and Senate of Budget Committees, and a joint Budget Office—with a high-level staff—that would provide Congress with the same type of fiscal expertise that the Office of Management and Budget brings to the President.
- Advancing the start of the federal fiscal year from July 1 to Oct. 1, to allow more time for the new legislative budget process to run its course.
- A requirement that the Budget Committees submit to each house by May 1 of each year a proposed concurrent resolution setting revenue plans and spending targets for the

various federal government activities.

After each house acted on the resolution, the Appropriations Committees, facing an Aug. 1 deadline, would act on specific bills. Only those within the resolution's targets could go to the President.

The Budget Committees would then take a second look at revenue and spending, and would recommend final totals, and the House and Senate would act on a revised resolution. Then, by Sept. 30, the Budget Committees would have to offer a plan for reconciling taxes, spending and any borrowing required for the overall fiscal program. This too would have to be approved by House and Senate.

- Congress would "recapture the pipeline" by withdrawing authority for over \$300 billion in spending approved in previous years, mostly for long-range construction and procurement projects, that is yet to be done by the Executive branch. The original authority was granted piecemeal, and the vast buildup of this spending backlog was not anticipated. Each project would be reevaluated.

- Costs of spending programs would be projected over five years to provide an appraisal of the eventual budget impact.

- "Backdoor spending"—that provided for outside the normal, annual appropriations process—would be subjected to annual Congressional review, with the exception of Social Security, highway construction and other activities financed from trust funds usable for no other purpose. When Congress allocated \$30 billion in 1972 for a five-year program of revenue-sharing with state and local governments, critics argued it was this kind of backdoor spending that



## At Last, Congress Moves Toward Budget Reform *continued*

was driving up the federal budget so fast.

• Either house of Congress could force the Executive branch to release impounded funds—a provision inspired by President Nixon's refusal to spend money appropriated by Congress for several programs.

### Talking it all out

An important plus, Congressman Ullman notes, would be that the first concurrent resolution fixing revenue and spending goals would set the stage for "a meaningful economic debate, which we never have."

There would be a full-scale discussion of priorities in spending, of the overall dollar ceiling within which those priorities would be set, of how tax laws or policy should be revised to adapt to spending plans, and even of how large a deficit—if any—there should be.

Such a debate is "something the Constitution intended the Congress to hold, but we've never done it," says Mr. Ullman.

"We would set priorities—health, defense, welfare, all the others, and once we set a spending ceiling we'd have a vote on the floor on dividing it up. That's tough. It's strong medicine.

"But the big advantage in all this is that it meets head-on the reason why so many things in the budget are out of control. We have projected ourselves into programs, one after another, that have long-range price tags. But we say we can afford them because they are only going to cost \$500 million in the first year. You do that with two, three or four programs, each with an expanding money wedge, and you get out there in about the third year and find your budget totally out of control.

"So in looking at the annual budget, recapturing the pipeline, curbing backdoor spending, we would project costs five years ahead and carve out priority wedges for the future."

As an example, Congressman Ullman uses an issue currently of major concern to businessmen—national health insurance.

If a decision were made to get into that field, he says, "we would have to take the existing level of health expenditures, then add whatever

wedge we think we can afford out there in the future and build a program that would stay within that priority wedge.

"Without that procedure, nobody knows how big the big end of that wedge might be. We might decide to go the Kennedy route [Sen. Edward M. Kennedy (D.-Mass.) is sponsor of a plan for government-paid medical care for all citizens of all ages] and have \$60 billion in new taxes without looking at what it would do to the overall budget. In my judgment, it would totally destroy it."

### Facing up to the costs

How would the new budget procedure, which provides for higher revenues to cover higher expenditures, also provide the discipline needed for holding down spending?

Replies Rep. Ullman:

"The discipline would come in by virtue of the fact that members of Congress would have to face up personally to the overall level of revenues and expenditures, and then vote to set the priorities—we would have to say, 'This is all we're going to spend on education,' for example. So if a committee brought in a spending bill way out of kilter, we would have already voted not to go that far; the limitations would be there.

"Now, all the incentives are to vote for all the spending programs and write home a good economy-oriented newsletter. And that's wrong. Expenditures under the new plan would have to stay within those wedges of priorities that the Congress had put upon itself."

While the President would continue to submit a budget to Congress annually, the end product of the legislative process could be a Congressional budget entirely different from what he suggests.

A related change required by the House budget reform bill would require that all authorization bills be cleared by March 31 each year. These bills are handled by legislative, or policy-making, committees—as opposed to the Appropriations Committees—and recommend spending levels for various programs. The official expenditure totals are later fixed by the Appropriations Committees.

Rep. Barber B. Conable Jr. (R.-N.Y.), a senior member of the Ways and Means Committee and a principal G.O.P. spokesman on economic affairs, warned his colleagues as the House passed the reform bill:

"The new procedure provides no legislative panacea and quite obviously it can be unduly cumbersome or susceptible to subversion if the will to govern and to work together is not present."

But, he added: "The essence of this plan is that we will no longer be permitted the luxury of looking at programs in a vacuum. . . . For the first time we will be trying to put it all together rather than fragmenting the legislative process to the point where fiscal control is virtually impossible."

Those budget reform advocates who would like to see the changes go further were cheered by a Senate amendment directing the new Budget Committees to "study on a continuing basis" further proposals for improving the budget process, including pilot testing of new programs to gauge actual costs and results.

That and other variations between the basically similar House and Senate bills are being resolved by representatives of the two chambers, so an identical reform bill can be submitted for a final vote in both houses and the new process can begin with the fiscal year 1976 budget.

### Who's doing what?

Under existing procedure, fragmentation occurs because Congress breaks down the President's budget into 13 individual appropriations bills that are acted upon independently of each other and of the revenue structure.

And those 13 bills represent only 60 per cent of the overall budget proposal. The remaining 40 per cent is in the "backdoor" spending category, in which spending is authorized not by regular appropriations bills but by permanent laws, open-end commitments and other ongoing authority.

The 13 appropriations bills are apportioned among the 13 subcommittees of the Appropriations Committee in each house.

While it might appear that the



You can build a new building and be assured that it will use available energy sparingly and efficiently, without taking any costly new or special precautions.

Because Butler buildings have not had to be re-designed or beefed-up to meet energy crisis demands. In fact, two of the inherent advantages of our building systems have always been tight construction and good insulation.

For example, Butler roof systems are made of tough inorganic metals that take a firm stand against the elements. But beyond this, and unlike most, two are uniquely designed and engineered to withstand the constant stresses of wind uplift (which attempts to pull a roof up and away from

a building) and temperature expansion and contraction—two forces which can and do destroy the weathertight integrity of hundreds of buildings every year.

But Butler buildings can do a lot more than just sealing off the weather. They can keep it from penetrating, too.

We have inch-thick, factory insulated roof and wall systems—like the walls of modern day freezers—that are proven to be much more thermally efficient than any ordinary roof or wall systems. Five times more efficient than 8-inches of concrete block, seven times more efficient than 6-inches of concrete, etc.

These are the kinds of engineer-

ing exclusives that make Butler buildings more than ordinary, efficient, economical, quick to occupy systems buildings. And they're the kinds of things that only a Butler building can do to keep the outside on the outside so you can save fuel and kilowatts on the inside.

So, to truly build an energy saver, call your Butler Builder®. He's listed in the Yellow Pages under "Buildings, Metal." Or write for this free informative brochure. And, if you'll tell us how you plan to use your building, we'll try to supply color photos of how others have used Butler buildings in a similar manner. Write Butler Mfg. Co., BMA Tower, Dept. B-114, Kansas City, Mo. 64141.



## How to build an energy saver.



43566


## Build a Butler Building



Serving building needs internationally, with plants and offices in the United States, Canada, Mexico and the United Kingdom.



# FUN INSURANCE



Atlanta's "Magnificent Omni" plays host to professional sports, family shows, the circus and more. The Omni needs insurance protection, and they have it with multiple line coverage from The Home.

Totally modern and ultra-comfortable, The Omni is the pride of Atlanta and the Southeast and is the home of the NBA Hawks and the NHL Flames.

Through our local representative, the Garlington-Hardwick Agency, Home provides a complete multiple line package including \$20,000,000 worth of coverage on this new structure and its contents; \$4,500,000 for business interruption; comprehensive liability plus a complete Workmen's Comp program.

Whether you need to protect something as magnificent as "The Omni" or a nuts-and-bolts assembly plant, The Home has the multiple line coverage and facilities for you. Contact your broker or look for your Home agent in the Yellow Pages.

**Home  
Insurance  
Companies**



A CITY INVESTING COMPANY GROUP



## At Last, Congress Moves Toward Budget Reform *continued*

parent committee would be a focal point for coordinating the various bills, Rep. Ullman says that, in fact, "the subcommittees are virtually autonomous—so the overall discipline you might have in the appropriations process has been lost in the process of splintering."

The senior members of each Appropriations Committee are the chairmen and ranking minority members of the various subcommittees. When the full panel meets to act on a subcommittee recommendation, the members tend to defer to the expertise of the leaders of that subcommittee—and they expect the same deference when their own recommendations are considered. The practical result: Approval of appropriations bills in complete independence of each other and not as part of a predetermined budget total.

Meanwhile, the tax-writing House Ways and Means and Senate Finance Committees are conducting their affairs independently of the appropriations process, and the decision on raising the national debt ceiling to permit more deficit spending is made by still another process.

It's not surprising that the House Rules Committee, in reporting out the budget reform bill, declared: "There is no Congressional budget process, only an agglomeration of separate actions and decisions."

Rep. George H. Mahon (D-Texas), chairman of the House Appropriations Committee, underscores the current never-never land atmosphere by noting that the closest Congress now comes to "relating total outlays to total revenues is in the consideration of legislation to increase the debt limit."

### Guns-and-butter era

Strains on the rickety machinery that Congress uses to handle the budget began to intensify as federal spending escalated during the guns-and-butter era—the Viet Nam War and the Great Society of the mid-1960s.

By 1968, the budget total was up to \$179 billion, a 150 per cent increase in a decade. That year saw the first of a series of showdowns between President and Congress over putting some brakes on.

But, while sternly demanding that budget ceilings be set, Congress had to sheepishly admit that it had no mechanism for enforcing any such ceiling.

The final straw was a battle with the President in 1972 over his proposal for a \$250 billion ceiling.

"There was no way Congress could supervise that kind of ceiling, and established procedures gave the President authority to cut where he wanted to," Mr. Ullman says. "The result of the procedures followed over many years was the erosion of Congressional responsibility and the handing over to the Executive branch of authority the Constitution intended to be in the Congress."

### Regaining lost ground

With members growing more and more sensitive over the issue of Congressional abdication of authority to the President in other areas, too, they agreed the time had come at least to try to regain lost fiscal ground.

The Joint Study Committee on Budget Control was named, with Rep. Ullman, No. 2 Democrat on the House Ways and Means Committee, and Rep. Jamie L. Whitten (D-Miss.), second-ranking Democrat on the House Appropriations Committee, as cochairmen. Three Senators and another Representative were named vice chairmen.

The Study Committee's recommendations were revised in the House Rules Committee but the basic goal of coordinated consideration of the budget remained intact when the reform bill reached the floor.

As the House took up the bill, Mr. Ullman told the members:

"We cannot continue our present course of fiscal irresponsibility without destroying the nation. Congressional budgeting has to be the first step. . . . It is not going to be easy for us to bite the bullet, to face up to the fundamental issue of limiting our desires and our expenditures to conform with the national capacity to spend. . . ."

"This bill will make Congress a more respected institution and a more effective partner in government by 1976, our 200th anniversary as a nation." —ROBERT T. GRAY

## Make your television commercials make an impression.



"Be creative. Generate some interest among your customers and other advertisers. Don't confine yourself to a stuffy studio. Use your own place of business or go to the best studio... the great outdoors. Remember, the sun is still the biggest, brightest light of all. And it's free."

"Save money on production for use in media. Shoot several commercials at once. The price per spot goes down the more you do. Record your sound track first. Then the producer can shoot exactly what you obviously need and nothing more. And use your own personnel for models. You're already paying for their time, so why not?"

"And above all, use film. Film gives you a little more gloss. And a producer who works with film is not charging by the hour... he's working per job."

"Film is creative and efficient. Film can work for you."

The Jerry Smith Studio makes commercials that work. Jerry's production company is in Milwaukee, Wisconsin.

Eastman Kodak Company  
Dept. 640  
Rochester, New York 14650



If you'd like to find out more about filming commercials for television, send for more information, today.

Name \_\_\_\_\_  
Company \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_  
State \_\_\_\_\_ Zip \_\_\_\_\_





## Don't Get Hooked by These Crooks

This should help you trump the fraudulent credit card and checkmate the bouncy check

In a publication on white collar crime issued by the U.S. Attorney for the Southern District of New York, a clear call for action was made to the business and professional community. It said, in part:

"The American economy depends on trust and good faith. Its future health and the moral climate of the nation depend on the attitudes of honest businessmen toward those who violate standards of conduct. Prompt and effective steps can do much to reduce white collar crime."

To contribute to that cause, the Chamber of Commerce of the United States has published a book, "White Collar Crime—Everyone's Problem—Everyone's Loss" (publication 2577, \$2.50) on a variety of offenses ranging from bankruptcy fraud and embezzlement to pilferage and bribery, and on how to deal with them. This article is a brief excerpt.



Although the health of the economy, as well as that of any given business, depends on trust and good faith, potential abusers of those necessary ingredients should not be handed a blank check. The rising trend of white collar crime demonstrates that those in business and the professions should be on their guard against it more than ever.

But increased vigilance requires that the honest and the ethical acquire a basic awareness of the frauds to which they are exposed. Awareness of fraud possibilities not only facilitates timely anticipation of trouble but also contributes toward the development of effective preventive measures.

Two of the most common forms of white collar crime are fraud by credit card and check. What checks do for our commercial system today is the predicted role for the credit card/computer combination tomorrow. Thus, with an estimated 26 billion checks used each year and with about 300 million credit cards in circulation, frauds involving these payment mechanisms cannot be taken lightly.

In contrast to the recent past, credit card losses due to fraud have reportedly declined as a percentage of sales for most card issuers.

For such an encouraging trend to continue, however, increased cooperation is required among credit card issuers, acceptors and users.

### Crooks and cards they use

Credit cards are obtained for fraudulent purposes in a variety of ways. The results of a survey by one group

of credit card issuers are indicative of how defrauders secure their cards:

- 20 per cent of fraud-related losses were due to the issuance of cards as the result of false applications.
- 20 per cent of fraud-related losses pertained to cards that were issued to, but never received by, legitimate applicants.
- 60 per cent of losses involved cards that were lost by, or stolen from, cardholders.

When cards become unsafe, operators often give them to cooperative merchants or employees, who turn them in to the issuer to collect the recovery award. Or a hot card is dropped on the sidewalk or in a terminal, perhaps to be spotted by a passerby who will try to use it, and will get caught and be blamed for its previous unauthorized use as well.

The credit card user can be alert for these danger signals of impending fraud:

- The usual monthly bill from the issuer does not arrive (address changed by a defrauder, perhaps).
- A charge slip included with his monthly bill indicates a total larger than that on his corresponding "customer's copy" slip.
- A charge slip enclosed with his monthly bill does not correspond with any of his "customer's copy" slips (indicative of double imprinting at the point of sale).
- The person behind you at the sales counter seems unusually attentive to your credit card transaction (as if to note your card number and name).

And there are plenty of fraud





symptoms that credit card acceptors can detect:

- A card has expired or is not yet valid.
- Alteration of a card is obvious.
- A card is listed on the issuer's cancellation notice.
- Signatures on a card and charge slip are significantly different.

Failure to note any of these telltale signs could make the acceptor liable for any loss resultant from the sale. He is also liable if he fails to call the issuer for authorization of the transaction if the amount of the sale exceeds a predetermined sum.

As for credit card issuers, their suspicions should be aroused by such things as unusual activity in an account, spending inconsistent with past patterns, hand-delivered credit card applications (perhaps a false application delivered in a way to circumvent the mail fraud statute), and cardholder complaints about overcharging or extra charges.

#### Check fraud: On the rise

Check fraud, estimated at \$1 billion annually, occurs more frequently and over a wider area than in the past, according to many authorities.

Merchants are exposed to the common practice where a customer purchases goods by presenting checks for which there are insufficient funds. Frequently, such checks are for amounts in excess of the purchase, the balance being received as cash.

Or such checks may be presented for cash—as at the check-cashing window of a supermarket. The cus-

tomers presents stolen or counterfeit identification documents.

An individual possessing stolen traveler's checks may carefully forge the countersignature on each check except the top one before asking a hotel cashier, bank teller, etc., to cash them. He openly countersigns the top check in the presence of the cashier, then cups his hand in front of the checks and, with the cashier's view blocked, fakes the countersignatures on the balance. The top check is palmed and the rest are presented for cash.

Here are some tip-offs indicative of check fraud:

- The handwriting of the person presenting the check is not consistent with his or her character and age. In one case, the forger was a tall, athletic-looking man, but his handwriting was small and precise, like a woman's. And he wrote very slowly.
- Haphazardly set type for counterfeit checks may contain misspelled company names, towns, etc.—for example, "security" instead of "security." Beware of odd spellings for common names.
- Oddly shaped numerals may indicate a raised check—as might poor spacing, blots, erasures, or changes in ink color or thickness of lines.
- The payee's name as indicated by the endorsement is different from the way it is spelled on the face of the check.

Symptoms of possible fraud in connection with traveler's checks include the following:

- Many traveler's checks are cashed

at one time, which is not the typical pattern.

- Traveler's checks have been countersigned in advance.
- The signature at the top of the check is by felt-tip pen, perhaps used to alter the signature so it can be more easily forged when the check is countersigned.
- A low-priced item is paid for with a high-denomination check.

Many measures are available by which to reduce exposure to check fraud.

For example:

- Safeguard blank checks and check-writing equipment.
- Require identification before cashing checks.
- Do not accept the following for identification purposes—Social Security cards, business cards, club cards, bank books, birth certificates, library cards, voter registration cards, letters.
- Become familiar with the driver's license issued by your state and neighboring states. Certain built-in features—such as year of birth as part of the license number—may help you identify counterfeit licenses if they are presented to you for identification.
- Compare not only the person's signature but also his appearance with what is indicated by his identification document.
- And require personal checks to be made out for the exact amount of the purchase.

END



# Why Be Just a Superclerk?

According to the company letterhead, Jack M. was president of the firm. But he really was a "superclerk."

Roger J. also was president of his firm, a big one. And a firm which was losing money unnecessarily because Roger was still "back in the garage."

Many John Does, as yet unidentified, may lose not only money but their entire businesses tomorrow because, while they think they know where their customers are, they really don't.

Do any of the above descriptions fit you?

All are of potential users of systems management consultation.

To many businessmen, systems management is "something for the big boys." To others, even some who use it, systems management means merely an up-to-date way of keeping books. Both ideas are wrong.

Systems management is, quite simply, the capacity and capability to define business needs in terms of information, action and control.

In addition, it means designing an operating structure which can collect data and use it beneficially, or profitably. This data can be anything from the time sheets for a payroll to material telling you whether or not your market areas are really populated by potential customers.

As with many other facets of our life, systems management today is a lot more than it was yesterday—when, frankly, the computer was treated as just another bookkeeping machine. Now, systems management is a means of dealing with a rapidly changing business world.

Here is a quick example of systems management which gives a clue to whether you, as an executive, are

really a superclerk like Jack M. is.

You are—if your volume is over \$1 million a year and you have more than five employees manually doing your financial book work. If you have to keep on top of them so you will know what is being done, then you are doing a superclerk's job and not your real job.

If that is you, what should you do?

Suppose you decide to try systems management consulting. A consultant would come in and perform what is really a complete operations audit—evaluating your organization, objectives and accomplishments as measured by costs and benefits. The solution to many problems for a small businessman may be borrowing techniques used by the big boys. Perhaps software package system purchasing.

Software are the instructions which make a computer run, to do the payroll or whatever. Large companies have designed and written their own programs, in the tens of thousands. Thousands of these are for sale to other firms.

Finding which one you can use is where systems management comes in. And maybe where the title "superclerk" goes out.

## Autonomy or not autonomy

Now what about Roger J., the big boy who was still "back in the garage?" By that I mean he was still thinking largely the way he did when he started the business in a little workshop, perhaps his own garage. His company was organized in a highly centralized manner, which perfectly suited his personal outlook. But with growth, his need was for highly autonomous divisions.

For Roger, the need was a complete restructuring of the firm's financial system in order to achieve that divisional autonomy.

Sometimes, however, centralization is the answer and it is becoming the answer more and more in systems management for larger companies. This reverses the thinking of the '60s when the multicompartment conglomerate was the magic word.

Here is an example of centralization: A major appliance manufacturer had seven plants around the country and seven computer centers to serve

them. This was completely unnecessary, since the same basic products, production schedules, inventory controls and other factors were involved. They were easily combined into one facility.

Naturally this saved money in terms of personnel, etc. But although there are such hard dollar savings, in almost every case of this kind the greatest saving seems to be in anticipated cost. This manufacturer, for example, anticipated in 1967 that his computer system cost by 1974 would be \$20 million a year. However, with the centralized system and careful planning, the actual cost is running under \$14 million.

These examples highlight the ever-changing operating conditions that managers must contend with, and that the systems professional understands.

In the 1930s, the main corporate object was to stay alive. In the 1940s, World War II created a demand to produce, to meet a pressing need. In the 1950s, a new factor entered: Marketing the product. It was no longer a seller's market.

The 1960s became the era of product proliferation—new models, infinite color and styling schemes, options galore—until profits shrank and in some cases companies went bankrupt. In some instances, the systems professional began to speak out, not about more complex and faster equipment or systems as he previously had, but rather about the need to reappraise the management process and the mode of operation.

It is such reappraisal that is the need of the '70s.

One major change that will almost surely come is the increased use of the computer for mathematical solutions to marketing problems.

The need for a John Doe, or any other businessman, to have a market profile is elemental. But this can't just be lifted from account records.

You need more than one source of data. A businessman needs to know *why* a certain product sells in one area and probably won't in another.

All businessmen should recognize that change is an integral part of their way of doing business. Systems management is one useful tool in helping them meet it. **END**

*THEODORE PUCKORIUS, author of this article, is a vice president of Lester B. Knight & Associates, Inc., Chicago, Ill., a systems management consulting firm.*



# The trouble stopper. Anchor PermaGreen Fence.

Separate the bad guys from your good guys—and your goods—and you stop trouble before it can start. Vandals can't get inside to rough up your facilities. Thieves haven't got a chance. All's peaceful and productive behind an Anchor PermaGreen fence.

Handsome green PermaFused® is the strongest vinyl-coated chain link fabric you can buy. Anchor thermally fuses that vinyl to an extra heavy steel core. It resists peeling, cracking and splitting even in corroding atmospheres.

All Anchor PermaGreen framework also has this bonded green vinyl coat. Square posts are stronger than round of comparable size and weight. For extra

protection, specify Anchor High Security barbed wire topping.

Anchor PermaGreen fence not only protects your property best, it's tough enough to protect itself as well, with hardly a minute's help from your maintenance people.

To get started on your trouble stopper, get full PermaGreen information and a free PermaFused sample from Anchor Fence, 6500 Eastern Ave., Baltimore, Md. 21224.

Send us the coupon.



Anchor Fence  
Dept. N-04  
6500 Eastern Ave.  
Baltimore, Md. 21224

Please send PermaGreen story,  
PermaFused sample, catalog.

Name \_\_\_\_\_  
Title \_\_\_\_\_  
Company \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
Phone No. \_\_\_\_\_

**You buy good fence by the year. Not by the foot.**



## QUARTERLY OUTLOOK SURVEY

# Weathering the Energy Crisis

So far not so bad

Executives responding to the 50th NATION'S BUSINESS Outlook Survey appear to be rolling with the punch that the energy shortage has thrown at the economy.

While a majority report the crunch has had an impact on their businesses, they also say the effects so far have not been drastic.

The indication is that it has caused some slowing of business activity and lots of annoying problems, but that it has not thrown the country into a steep economic decline.

And the easing of the oil embargo last month, of course, gives hope that the worst of the slowdown induced by the crunch is over.

The effects have not been uniform. Some firms that are particularly affected by the road travel situation have been hard-hit. Recreational vehicles, some housing and real estate developments, some sporting goods

lines and some retail outlets along highways are examples.

But comparatively few of the 309 executives answering the survey say the situation has had dire effects such as forcing curtailment of production or causing large-scale unemployment.

Primarily, the biggest impact on business has been sharply higher energy costs, the survey finds. Implementation of conservation programs, some scarcities of raw materials, scattered slowdowns and transportation problems, and a widespread climate of uncertainty and caution are other results that have affected operations, businessmen say.

"We've experienced a much higher cost for standby fuel used during winter months. Our fuel costs have doubled," says C.L. Cray Jr., president of Midwest Solvents Co., an Atchison, Kans., grain producer. "No direct impact, but indirectly we're experiencing some material shortages and truck tie-ups," reports C.R. Johnson, president of Meehan-Johnson Machine Co., a Minneapolis, Minn., machine tool manufacturer. "Negligible," says G. Frank Purvis Jr., chairman and chief executive officer of Pan-American Life Insurance Co., New Orleans, La. "Reduction in use of automobiles by our field personnel in certain areas has been the only direct effect."

"There have been a few order cancellations," comments the president of a Midwestern machinery manufacturing firm, "but that's been offset by a scramble to place new orders . . . i.e., small engines for cars." The manager of the Connecticut division of a large corporation reports "much nervousness, but no real impact to date."

The survey turns up a decidedly more bearish tone on how the economy will perform in 1974 than did similar readings in January. About 43 per cent of the respondents think business activity will level off and stay on a plateau while over 41 per

cent expect a definite downturn. Just under 15 per cent expect the economy to post gains. Not all executives answered all the questions on the survey.

This is how answers to major queries break down:

The question, "Have shortages been a problem for your business?" finds 204 businessmen saying Yes, 102 No. The question, "Do you expect employment to go up or down?" shows 122 expecting a lower employment level, 86 expecting it to remain the same and 95 seeing higher employment.

"What are you looking for in 1974 in the way of sales or volume for your business in comparison to 1973?" draws this response: 225 see increases, 20 forecast decreases while 59 think sales will stay at about last year's levels.

"How will profits compare to 1973?" shows 175 executives predicting higher profits for their firms, 58 expecting decreases and 60 seeing them as remaining the same.

To the query, "Are you planning increases or decreases in capital investment in 1974?" 174 say their firms will spend more for plants and equipment while 85 say spending will remain the same, and 33 report it will drop.

"What do you expect in the way of inflation in 1974?" A heavy majority of 280 businessmen think inflation will move higher, only 18 think it will decline and seven predict the cost of living will hover at about the same level.

Answers to the question, "Where do you think the nation's economy will go from here—on up, level off or turn down?" break down this way: 113 expect a leveling off, 97 see a downturn while 37 are bullish and see the economy moving ahead.

Most businessmen say they are coping fairly well with the energy shortage and other shortages that have developed. And while there's a



tone of caution, most express guarded optimism about dealing with the short- and long-term aspects of the crisis.



*"We've experienced no serious problem to date," comments Joseph T. Bailey, chairman and president of The Warner & Swasey Co., the Cleveland, Ohio-based manufacturer*

*of machine tools and construction equipment. "We're exercising restraint wherever possible. There have been spot shortages of such things as electronic circuit components, castings, bearings and ball screws."*

On energy supply, he says: "We expect variations, but if current levels are maintained, we see no problem. New developments in energy supply should correct the situation by 1980."

W. Thomas Rice, chairman and chief executive officer of Seaboard Coast Line Industries, Inc., Richmond, Va., reports the chief impact of the energy situation is the "increase in our coal business." Mr. Rice says there are "no serious problems" due to shortages for Seaboard but there's a "constant concern" about the availability of diesel fuel. The railroad executive, who thinks the economy will level off and then turn up later in 1974, sees "peacetime, with improved balance of trade" as the economy's brightest spot. Discouraging is the trend toward "higher labor costs, causing continued inflation."



*Alvah H. Chapman Jr., president of Knight Newspapers, Inc., Miami, Fla., reports the energy situation "has caused a slight slowdown" for his firm. For the future, Mr. Chapman expects his company to place "continued emphasis on reducing energy needs."*

Expecting the economy to level off, the newspaper executive sees "uncertain government-political leadership, wage-price controls and inflation" as minuses for the economy.



*Clyde F. Schlueter, president of Employers Insurance of Wausau, in Wausau, Wisc., expects the economy to "level off, with the possibility of a slight increase" this year.*

*"Increasing inflation and shortages in certain materials and energy are least encouraging for the economy," he says. But most encouraging is the "heavy backlog of orders in many industries."*

For his own company, Mr. Schlueter reports "virtually no impact" from the energy problem, with shortages having an effect only to a "minimal degree—primarily in paper."

He says it's hard to predict what the future will bring, because the "information is so conflicting and unreliable."



*William F. May, chairman of American Can Co., Greenwich, Conn., assesses the energy shortage's effect on his company as small, basically, though the energy-related truckers'*

*strike last winter had a "substantial impact." The shortage has required "better planning and greater conservation measures," he says. Mr. May thinks American Can's sales will improve by 8 per cent this year, with profits moving up 10 per cent over 1973.*

"The energy situation has slowed down our dollar sales approximately 2 per cent," writes James E. Gettys, chairman and president of Standard Knitting Mills, Inc., Knoxville, Tenn. Shortages in man-made fibers have been a problem, he says, and he expects future energy-related difficulties

in "sales, acquisition of raw materials and employee attendance."

Standard Knitting's profits "will be moderately less than in 1973 because we cannot price our goods to keep up with the inflationary trend in our industry," Mr. Gettys comments.



*"I expect improvement in the energy situation in the months ahead due to conservation measures, accelerated domestic production and increased imports," comments*

*Beryl W. Sprinkel, senior vice president and economist at Harris Trust & Savings Bank, Chicago, Ill.*

He adds: "At present, the economy is moving slightly downward. I expect that to continue into the second quarter followed by recovery in later months. The most encouraging aspect is that only a few industries have been directly affected by the energy problem, and weakness does not appear to be spreading."



*Emmett H. Heitler, executive vice president of Samsonite Corp., Denver, Colo., reports the energy crunch has not been a serious problem so far for Samsonite. But he thinks it "may impact*

*the travel business" in the future—and therefore, presumably, the fortunes of Samsonite, a luggage and furniture manufacturing firm.*

Mr. Heitler finds the most encouraging aspects of the economy are that "savings are up, employment is reasonably steady, the public is waiting for a psychological boost and good news."

Ross Workman, president of California-Pacific Utilities, San Francisco, Calif., reports "reduced revenues from reduced sales of gas and electric energy," but says his company is



# Goodbye Dullsville

Dullsville doesn't exist anymore. Communities that existed for unknown reasons became dull and began to die. They joined the dodo bird.

Dullsville or boredom is the result of too much apathy.

When apathy exists too long, atrophy sets in. Things shrink, then slowly fade away.

Boredom is preceded by laziness. Laziness is preceded by the loss of desire and self-respect . . . or having everything presented on a silver platter.

Bored people have only themselves to blame.

The answer to boredom, apathy and atrophy is: Get active—come alive. Do something about the things that bother or bore you.

You can get the action you want at your chamber of commerce. Get involved.

Pete Progress speaking  
for your chamber of  
commerce.

## Weathering the Energy Crisis *continued*

boosting capital spending by \$12 million to \$15 million this year.



*Henry*  
Union Carbide Corp. Chairman and Chief Executive Officer F. Perry Wilson says that there's a "significant shortage and much higher cost of hydrocarbon feedstocks,"

and that this will continue "with gradual improvement in availability—but not cost—in 1974. The underlying shortage and higher costs will be problems for several years at least."

Mr. Wilson says Union Carbide plans to boost capital spending 35 to 40 per cent this year. He predicts a mild recession in the first half of the year with an upswing occurring in the second half. The rate of inflation will be around 6 to 7 per cent, he forecasts.

"The outlook for a high level of capital expenditures provides a favorable aspect" of the economy, and "the present levels of automobile production are the least encouraging" aspect, comments Robert G. Wingerter, president of Libbey-Owens-Ford Co., Toledo, Ohio. Mr. Wingerter says his company is expecting lower sales and profits in 1974 compared to 1973. On the future of the energy situation:

"I think we can expect six or more months of declining panic. There are long-term solutions, of course, but they may require some retreat from environmentalists' short-term objectives."



*Lucier*  
"Shortages have been a real problem, particularly in plastics," comments Francis P. Lucier, president of The Black & Decker Mfg. Co., Towson, Md. He reports no great impact for his

firm from the energy crunch, adding: "For the near term, the energy situation will probably necessitate tighter controls which may become standard procedure for the long term."

Mr. Lucier sees his firm's sales and profits both about 15 per cent higher in fiscal 1974. **END**





They said he'd never walk. You said he would.

It can take years to work an overnight miracle. Years of patience, courage, and money.

When it's over and the miracle has been made to work, there's always another waiting for the chance to run and play with the wind.

They're willing to put up the patience and the courage, if you'll put up the money.



advertising contributed  
for the public good

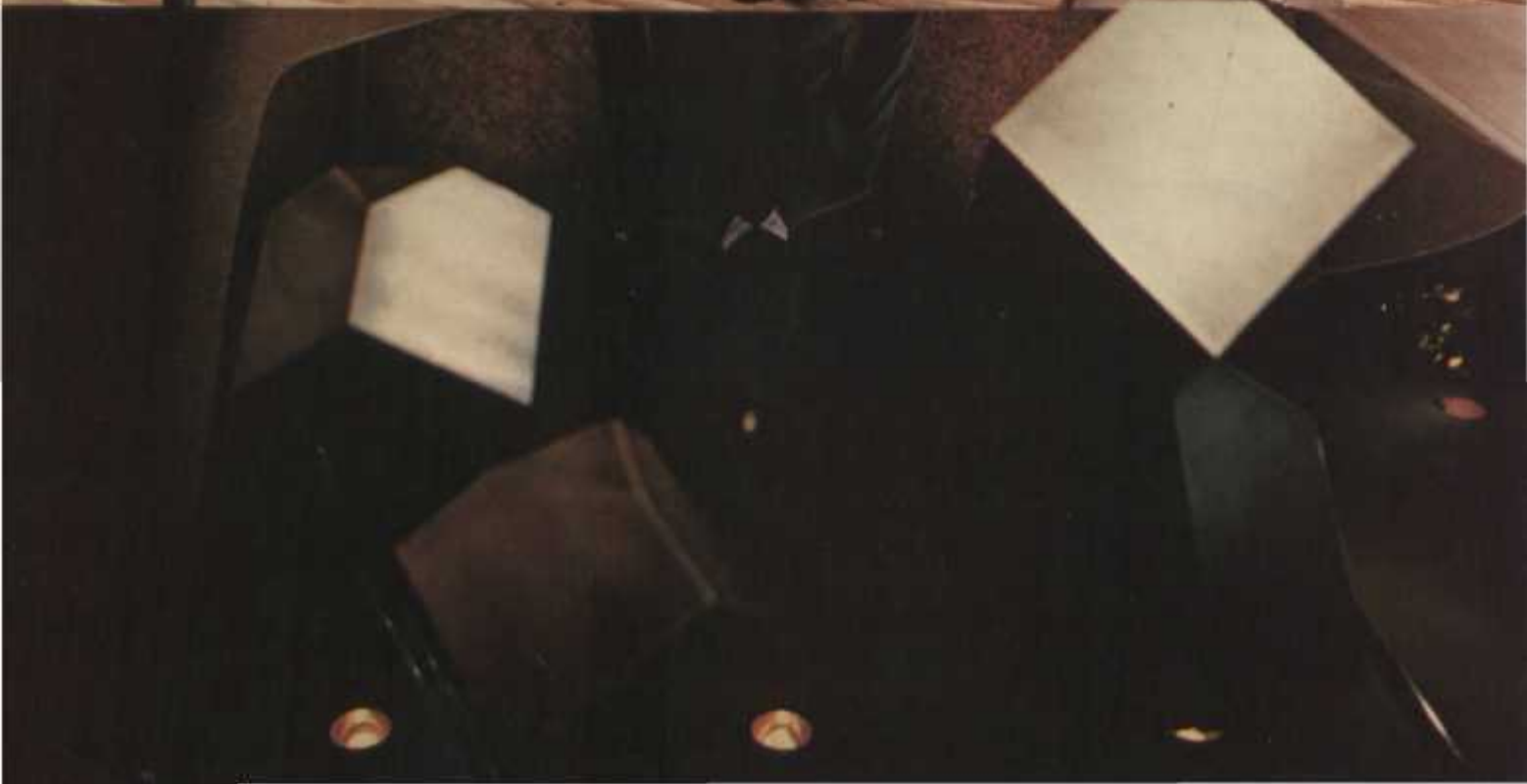
**Thanks to you  
it's working**



**The United Way**

© The United Way of America 1973.







How 11x14  
B & W.

# John H. Johnson of Ebony

## Setting a goal and reaching it

Some publishers are born great, some have greatness thrust upon them, and others merely survive television, John H. Johnson says. He insists he falls in the third category.

Be that as it may, he has parlayed a \$500 pawnshop loan on his mother's furniture into a publishing empire whose magazines and books blanket the black population of America.

Where many others have failed in the black magazine field, John Johnson, 56, has had only successes. His explanation: He not only knows what his readers want to read today, but what they will want to read tomorrow. As he put it, in accepting the 1972 "Publisher of the Year" award from the Magazine Publishers Association:

"Businessmen speak of cautious optimism. Perhaps we should think in terms of responsible daring. We have to anticipate what the reader will want tomorrow by walking a step ahead of him. In fact, we have to anticipate the reader's desires by leading him, step by step, to what he really wants."

Mr. Johnson, reared in Arkansas poverty, worked his way partially through college (he went to the University of Chicago and Northwestern, but his only degrees are honorary), getting his start in the business world

as an office boy with Chicago's black-run Supreme Life Insurance Co. of America. He is now chairman of its board. It was while he was clipping stories about black people for his boss at Supreme Life that the seed was planted for starting his own publishing business.

He launched *Negro Digest* (now *Black World*) in 1942, and it was an overnight success. But *Ebony*, which came along in 1945, is the flagship of his Johnson Publishing Co., Inc., with a circulation—it is distributed in some 40 countries—which has grown to 1.3 million. *Jet*, *Black Stars* and *Ebony Jr!* (aimed at black youngsters) followed. They enjoy a total circulation of 2.75 million.

In 1961, John Johnson moved into book publishing (principally black titles) and last year extended his operations into the broadcast field with the purchase of black-owned Chicago radio station WGRT. He now would like to branch out into television.

Mr. Johnson has received many honors in recognition of his almost unprecedented successes in the black publishing industry, and he sits on the boards of directors of companies including Twentieth Century-Fox Film Corp., Marina City Bank of Chicago, Arthur D. Little, Inc.,

Zenith Radio Corp. and Greyhound Corp.

One visible side of his success saga is an 11-story architectural showpiece overlooking Chicago's beautiful lakefront. This is the home of Johnson Publishing, at 820 S. Michigan Ave., near the Conrad Hilton Hotel.

Here also is the office of his wife, Eunice. (The Johnsons have two teen-age children, John Jr. and Linda.) Each year, Mrs. Johnson, who is well-known in fashion houses of New York and Europe, stages an *Ebony* Fashion Fair in scores of American cities, with the proceeds going to numerous charities.

Some 300 employees—most of them blacks, but there are whites, too—staff the headquarters of Johnson Publishing, which has yearly revenues at the \$25 million level. Amid the headquarters' ornate surroundings is perhaps the world's most complete collection of African and black American art.

In the following interview with a NATION'S BUSINESS editor, in Mr. Johnson's eleventh-floor executive suite, he discusses his philosophy and career as one of America's foremost black businessmen.

*Mr. Johnson, how did you happen to get into publishing?*





Mrs. Johnson, who helped her husband put out his first magazine, has an educational background including studies in social work, journalism and interior decorating. President Nixon named her a special ambassador to attend a Presidential inauguration in Liberia in 1972.

## John H. Johnson *continued*

Well, I started as an office boy with Supreme Life Insurance Co. in Chicago and later worked as an editor of the company's house magazine. And as an editor I read a lot of newspapers and magazines and gave the president of the company a digest of what was happening each week in the black community.

I would often ask my friends if they had read this article or that one dealing with blacks which I had read, and invariably they hadn't.

Now, I was familiar with *Reader's Digest*, so the thought occurred to me, "Why not a *Negro Digest*?" I tried to get various friends of mine to go into business with me. I approached people with money to invest, but nobody was interested.

### *What did you do then?*

I finally convinced my mother to let me borrow \$500 on her furniture. But, meanwhile, I told Mr. Pace [the late Harry H. Pace, president of Supreme Life] what I wanted to do and he encouraged me. He offered me the company's mailing list of 20,000 names. I used the \$500 for a mailing to determine how many people would like to see a new black magazine. Some 3,000 replied and complied with a request to send in \$2 each—and it was with that \$6,000 that I was able to get started in business.

### *What happened next?*

With the \$6,000 as a capital base I persuaded a printer to extend me

credit. By working nights, my wife and I prepared the copy for the first issue of 5,000 copies of *Negro Digest*, which appeared in November, 1942. Within a week, all copies were sold. Within a year, we were selling some 50,000 copies a month.

### *When did Ebony get started?*

In 1945. It was an instant success as far as magazine sales were concerned, except that we were getting very little white advertising, and white advertising was essential.

### *How did you overcome that problem?*

I remember writing to Comdr. Eugene McDonald Jr., who was then president of Zenith Corp., asking for an interview to try to interest Zenith in advertising in *Ebony*. He wrote back saying he had nothing to do with advertising and suggesting I see the advertising manager instead. Well, I had—with no luck. So I wrote again to the commander, indicating I knew he had something to do with policy, and saying I wondered if I could talk to him about his policy toward advertising in the black consumer market.

### *Did you get in?*

Yes. But first I made a point of briefing myself on him as much as I could. I found out he had been at the North Pole with Admiral [Robert] Peary. I knew that a black man, Matthew Henson, was also at the Pole with Peary. And, of course, I knew

that *Ebony* had just done a story on Henson and his experiences with Peary.

So I arranged for Henson to autograph a copy of his book to the commander. With Henson's book and a copy of *Ebony* containing the Henson article, I called on the commander.

Just as we entered his office he pointed to a pair of snowshoes on display and said they had been given to him by Matthew Henson. "I understand that Matt wrote some kind of book recently," the commander said. "Do you know about it?"

I replied, "Yes, and I just happen to have one and it is autographed to you, commander." He was rather pleased about that, but then he said, "Young man, if you were putting out any kind of a magazine you would have something on Matt Henson."

I pulled out the copy of *Ebony* and handed it to him. He flipped through a few pages and finally spoke again: "I don't see why we shouldn't be advertising in this magazine."

Comdr. McDonald called in his advertising manager and directed him on the spot to place a Zenith ad in *Ebony*. Zenith ads have been running ever since.

### *How did you happen to select Zenith?*

Simply because my mother owned a Zenith radio and many black people that I knew owned Zeniths. It was a good product. I think my mother's radio was about 10 years old at the time and still working well.

### *I understand Zenith products still are rather popular with you.*

Well, there are 39 Zenith TV sets in this building and 10 more in my home.

I recently was elected to the Zenith board, by the way. And I take great pride in this accomplishment because Zenith was my first national account.

### *You give your mother a lot of credit for your success, don't you?*

Oh, certainly. My father died when I was only six. She raised me.

### *That was in Arkansas?*

Yes, Arkansas City. We stayed there until I was 15 and we came to





## The skid our computer didn't let happen.

Slamming on the brakes on a slippery road is the last thing you should do.

Braking suddenly can make the wheels lock. And on a slippery road, that's enough to cause a terrifying skid.

A skillful driver "pumps" the brakes. Something that our people have put to good use in a unique new anti-skid system.

With it, when you slam on the brakes, a mini-computer hooked up to a sensor on each wheel anticipates when the wheel is starting to lock.

Then our system pumps the brake of that wheel for you, 5 to 15 times a second—better and faster than even the most skillful driver could.

You see the result in our photo: the left-hand car has this anti-skid system.

At the moment, we're working in Europe to make this system available here at about the same cost as a good car radio.

Little enough, considering what it does for you.

And doesn't do.

The best ideas are the ideas that help people. **ITT**





*John Johnson at the White House with Lyndon Johnson, the white man he most admires: "When he set out to help the less fortunate it might have been for political reasons, but in the end he got hooked." Most admired black man: Frederick Douglass, Nineteenth Century civil rights crusader.*

## John H. Johnson *continued*

Chicago primarily because my mother wanted me to get an education. There were no high schools in Arkansas City and as a result I have two diplomas from the eighth grade.

My mother did not want me on the street, as she said, in bad company. So she insisted that I go back to elementary school and spend another year in the eighth grade until she could save enough money to bring me North and put me in high school. She worked many hours a day, cooking and washing and doing all kinds of domestic work to get money for the trip to Chicago.

*What would you say is the most important lesson she impressed on you?*

My mother taught me to have faith in myself and to believe that solutions can be found to problems, no matter what they are. And to work hard, and have faith in the future.

*I understand your mother has an office in the building. Is she active in the business?*

No. For sentimental reasons, when we built this building, we felt she ought to have an office, too. So she comes down occasionally and calls a few of her friends and tells them she is calling from her office. Mother is about 84 and she still tells me the same things: Work hard, be honest and treat people decently.

*Mr. Pace, of Supreme Life, played an important part in your life, too?*

Oh, yes. In 1936, the year I finished high school, I was editor of the school paper, president of my class

and president of the student council. As a result of this leadership achievement, I was invited to attend an assembly of outstanding high school students from throughout Chicago. Mr. Pace was the speaker. Afterwards, I went up and talked with him.

I told him I wanted to go to college but needed a job. "Why don't you come around and see me next September and we will see what we can do?" he told me. He came through on his promise and gave me a job as office boy at \$25 a month. I went to the University of Chicago part-time and worked part-time.

*And how did you move into an editorial job?*

Well, Mr. Pace decided he wanted to revive the *Supreme Liberty Guardian*, a house organ which had been discontinued. My job was to clip articles about black people and give them to him. He did a lot of the work himself in getting the magazine out. Soon I was helping him, and one day I was promoted from office boy to assistant to the editor.

*This was about the time you got the idea for a black digest magazine?*

Yes. Shortly after I got an encouraging response, based on the mailing list Mr. Pace let me use, I went to Mr. Pace and told him I wanted to set up a board of advisory editors. I asked him to be on the board. He refused. He also discouraged me from asking anyone else. I asked why.

"If you bring this magazine out

and you put these people's names on it, or mine, a lot of people won't read it because they might not like me or these other people you ask to serve on such a board," he told me.

"You are a young man and unknown. If you put out a good magazine, people will read it. If you put out a bad one, no one will read it—no matter whose name you put on it."

This was good advice and I'm glad I accepted it. Mr. Pace died six months after I started *Negro Digest* and I've always regretted that he did not live to see how it succeeded.

*How did it happen that you later became board chairman of the insurance company where you started as an office boy?*

Some years after I had left *Supreme Life*, and my own publishing business was well-launched, I was approached by the company to buy stock. I bought about a thousand shares. Then I was invited to join the board of directors. And then, for sentimental reasons, I began buying more and more stock and finally became the majority stockholder. As majority stockholder it seemed reasonable that I should be chairman of the board.

*So, this means you have worked for only two organizations in your life—reaching the top of both?*

Actually, I get much more satisfaction from what I accomplished at *Supreme Life*. There, I rose from office boy to chairman. Remember, when I started the publishing venture I was owner and chief executive. I'm still owner and chief executive.

*What prompted you to start Ebony magazine?*

I made a lot of money on *Negro Digest*. World War II was coming to an end and I thought that our servicemen, when they returned, would be looking for light, interesting reading material. I had a pictorial magazine in mind and that became the format for *Ebony*.

*Would it be fair to say that Ebony is the black's Life magazine?*

Yes. Our format and much of the material in the magazine was and is like *Life*.



*What are you doing that makes Ebony so successful compared with Life, which finally went under?*

I think the difference is that we have a commitment to our readers. We study them constantly. We understand them. We mingle with them.

I also think *Ebony* has been the kind of magazine which has helped black people to become proud of their heritage and proud of themselves. It gives them the kind of information and inspiration which they cannot find anywhere else.

What you found in the old *Life* magazine you could find elsewhere. But not what you find in *Ebony*.

*Tell me about some of your other magazines.*

In 1950, we started a magazine called *Tan*, which was somewhat like *True Story* and *True Romance*. The name has since been changed to *Black Stars*, and today the magazine is devoted to the black entertainment world—blacks who have been successful in films, records, night clubs and the like.

A year later we launched *Jet*, which was designed to give a brief weekly summary of all that is happening in the black community. It was a success from the start.

We waited 21 years—until 1972—before adding another magazine. That's *Ebony Jr!*, directed at children six to 12 years old.

*This means you are publishing five magazines in all?*

Yes. We phased out *Negro Digest* in 1951 because we felt it was performing much the same function as *Jet*. But our old readers kept asking us to bring it back. We did, in 1961, but three years ago we changed its name to *Black World*.

*Are all five successful?*

Four are very successful, financially. *Black World* is starting to break even after losing money. We have kept it alive because it renders a public service. It encourages young black writers to develop their creative talents.

*Do you use white writers?*

Yes, in all the magazines except *Black World*.

*Eleanor Roosevelt once wrote for you, didn't she?*

Yes, and that's an interesting story. *Negro Digest* had achieved a circulation of about 50,000 in 1943, but we couldn't seem to get it beyond that figure. This was during the period when many white people were giving advice to black people on what they should do—"You shouldn't press for equality, you shouldn't create disturbances, you shouldn't do a lot of things."

The thought occurred to me: Why not have a series of articles by prominent white people in which they would put themselves in the place of blacks? We called the series, "If I Were a Negro."

I thought the one person who was ideal to start the series was Mrs. Roosevelt. She agreed. I remember the article so well. She wrote, "If I were Negro, I would have great bitterness." This was picked up by all the Northern newspapers. And she also wrote, "But if I were Negro I would also have great patience." That was picked up by all the Southern newspapers.

We got wide publicity. Within 30 days—overnight—our circulation shot up from 50,000 to over 150,000. Later, Mrs. Roosevelt did another article for us, entitled "Some of My Best Friends Are Negroes," in which she discussed her ideas about equality and the fact that people should learn to work together and live together.

*Who were some of the other white authors?*

Marshall Field III was one. And the late Edward G. Robinson. Everybody got the same author's fee—\$15.

*Generally, your magazines are not political, but you did support two Presidential candidates?*

Yes, Adlai Stevenson and Lyndon Johnson. Mr. Stevenson, of course, was from Illinois. Additionally, I felt strongly that ours should be a civilian government. At the time, I believed that if Gen. Eisenhower were in the White House we would move away from civilian control. I have to say, in retrospect, that I was wrong. President Eisenhower did not move in that direction.

We supported Johnson because we

felt Barry Goldwater didn't really want our support. But more importantly, we believed strongly that Lyndon Johnson was working in the best interest of minorities.

*But you did not support John Kennedy?*

No. But for no particular reason. In this period, we decided it was best not to support a Presidential candidate. On the other hand, if I had been asked, I might have supported Kennedy. I wasn't asked.

By and large, though, we are non-political and genuinely independent. Basically, we try to give our readers the facts and let them make up their own minds.

*Mr. Johnson, you have served the past three Presidents in one capacity or another, haven't you?*

Yes. President Kennedy appointed me a special ambassador to several African countries. Also, I was a member of the White House commission studying the draft, I was on the special postal commission and I was named to the commission on celebration of the 25th anniversary of the United Nations.

*You have been a guest at the White House many times. Have you had any unusual experiences with your Presidential hosts?*

Well, I can never forget a stag dinner at the White House during the Johnson Administration. At each table, guest cards of those around the table were placed on a plate. At the conclusion of the dinner a name was drawn at each table and that guest was to give a few words of advice to President Johnson.

My name was drawn. I rose and said, "Mr. President, my mother's name is Johnson; my wife's name is Johnson. I have never had any success at giving advice to Johnsons and I am not going to try to give any to you."

*Would you assess the progress of blacks in America, say, in the last decade or two?*

Obviously, we have not gone as far as we would like. But we have made tremendous progress.

Some of our young people look at



## John H. Johnson *continued*

certain situations and they are very disenchanted. But those of us who are older, who know how really far back we were at one time, can appreciate the progress that has been made.

We have made it in education, in jobs, in politics, in all areas. One need only look at the number of black mayors, the increasing number of black Congressmen and the great number of blacks in many official positions throughout the Deep South to recognize just how much progress has been achieved.

*There has been racial quiet for some time now. Will this continue?*

I think so. Much of the emotion that went into marches and demonstrations is now being used to get more blacks to register and vote.

*Have lines of communication between the races improved?*

Oh, yes. The white community now is more responsive to black needs and desires.

Blacks have more freedom to move around and can pursue education and jobs with a greater feeling of equality than ever before.

*How about blacks in business?*

That is improving also. More and more banks are willing to lend money to develop black businesses. In order to develop any kind of business, you need capital. At one time, you remember, it was almost impossible for blacks to borrow money from banks.

*But it requires more than money for a black to go into business for himself, doesn't it?*

Definitely. We need management expertise as much as capital. I have been encouraging blacks who work for white institutions to quit and start their own businesses. Once they have been exposed to certain management techniques, there is no reason they should not strike out on their own.

*If you were starting your publishing venture today, it would be somewhat easier?*

Yes. Money would be more readily available. Also, a few more doors

would be open than were in 1942.

*Early in the game, didn't you offer one man a piece of the action for \$3,000? How much would that be worth today?*

Yes, and I was turned down. It would be worth millions.

*Do you ever see this man now?*

Yes, and he always avoids me. He's embarrassed.

*You once said, "Some publishers were born great and some had greatness thrust upon them and others merely survived television." Where do you fit?*

I survived television.

If we have any secret to our success it is that we have changed with the times. For example, when we started out we used to equate success with material things. In other words, success to us was a Cadillac or mink coat or some other tangible thing. As we have developed and matured, we have found that success is accomplishing whatever a man sets out to do. A man who rears a family or sends his kids to college—that to us is success, big success.

*Will there be a time when Ebony, say, might become a magazine with equal appeal to whites?*

Well, we stand ready and are willing to make it so. The problem isn't that we wouldn't be able to edit such a magazine. There still is enough of a climate of suspicion between the races that whites are not ready to accept a magazine like *Ebony* without believing it carries an undue amount of propaganda for blacks. And, of course, blacks have the same suspicions about white magazines.

*But the day may come when that won't be the case?*

Yes. I am convinced we are moving in that direction.

When you consider that the white people of Los Angeles are willing to believe that a black mayor can look out for their interests in City Hall, we most certainly can assume the point will be reached where whites will accept the fact that a black man can put out the kind of magazine they will read.

*And you would like to see that day come?*

Well, at the moment I am working with only 11 per cent of the population. I would like to work with 100 per cent.

*You have had a successful business. If you were starting over, would you do anything differently?*

I might try harder but I wouldn't do anything differently.

I don't know of any job in the world I would rather have than the one I have now. And my only ambition is to keep it.

*Earlier, you said rising to the chairmanship of the insurance company was your most satisfying experience. How about the most disappointing experience?*

Well, it used to be very disappointing to me to see people leave our organization after we trained them. But I am beginning to understand that better now. I accept the fact that this is part of our function—to train people.

If you train good people you can't hold on to them. They necessarily move to other jobs where they can assume leadership roles.

*What is the best message that you could impart to young blacks coming along?*

I have said it several times and in different ways. But basically it is this:

Set small goals for yourself.

So many young black people come to me for advice. They all want to start at the top. One said he wanted to start a chain of supermarkets. I said, "Why don't you just start one little grocery store?"

One needs confidence in business. One must move from one plateau to another, each time gaining greater confidence. **END**

REPRINTS of "Lessons of Leadership: Part CVII—John H. Johnson of *Ebony*" may be obtained from *Nation's Business*, 1615 H St. N.W., Washington, D.C. 20006. Price: One to 49 copies, 50 cents each; 50 to 99, 40 cents each; 100 to 999, 30 cents each; 1,000 or more, 20 cents each. Please enclose remittance with order.



**Never miss a phone call...or take an unwanted call!**  
**Phone-Mate answers your phone when you can't**  
**or don't want to...and when you're away**



**NEW SUPER PHONE-MATE 800S**  
*automatic telephone answerer*  
*for office and home*

**\$159<sup>95</sup>**

**Phone-Mate answers your phone**  
 promptly, electronically, and gives your personally  
 recorded message to each caller.

**Then records each incoming message**  
 accurately and clearly, word for word.

**Lets you hear who's calling** without touching  
 your phone (or letting the caller know you're in).  
 Screen out unwanted calls when you're busy. Turn monitor  
 "off" for total telephone privacy.

**Easy to connect and operate.** Just plug into any  
 ordinary extension telephone jack. Two knobs control most functions.

**Super Phone-Mate 800S has more features**  
 than any other Phone-Mate model. Adjusts to answer on any ring. Two-track  
 outgoing message tape. Fast forward incoming tape control. Manual tape  
 erase control. Earphone for listening privacy. Cassette recorder jack for up to  
 120 messages. *Standard model Phone-Mate 400S is also available at \$139.95*

**SAVE \$30**  
 originally advertised  
 nationally at \$189.95

**COMPARE WITH OTHER ANSWERING SERVICES AT ANY PRICE!**

*You'll instantly understand why Phone-Mate is America's most popular telephone secretary. Phone-Mate is technically advanced, simple, extra-ordinarily reliable...and inexpensive. More efficient and less costly than live answering services... Phone-Mate is never rude, never keeps callers on "hold" or scrambles their messages.*



**Relax on those precious evenings out.**  
 Phone-Mate will take your calls. You'll be  
 "at your telephone," even when you're  
 not! No more missed calls or opportunities.



**Get messages from any phone with the**  
 Phone-Mate REMOTE-SYSTEM. Just  
 phone your own number and use the  
 coded "beeper" and listen to calls.

**With Phone-Mate you'll never miss another important call or be disrupted by unwanted callers.** Your phone  
 will be answered promptly and efficiently when you're busy or unable to answer yourself. The ideal telephone  
 secretary for business and professional people, civic leaders, busy housewives, active singles...anyone who  
 cannot afford to or doesn't want to miss their telephone calls.

**Get your messages from**  
**any telephone,**  
**anywhere, anytime!**

**PHONE-MATE 800S**  
**REMOTE-SYSTEM \$289**  
 complete with pocket "beeper"

**MONEY-BACK GUARANTEE**  
 Try Phone-Mate  
 for 15 days... Risk-Free!

**Telephone Mart**  
 Torrance, California 90510

**RUSH ORDER FORM** or call collect (213) 320-7200, Extension 26

**Telephone Mart** South Bay Business Park, Torrance, California 90510

- ☐ YES, I want the Phone-Mate 800S at \$159.95. Please ship immediately with unconditional 15 day money-back guarantee.
- ☐ I prefer the deluxe Phone-Mate Remote-System at \$289.
- ☐ I enclose amount in full
- ☐ Charge my Account No.
- ☐ BankAmericard ☐ Master Charge Interbank No.
- ☐ American Express ☐ Diners Club ☐ Send more information ☐ Ship C.O.D.

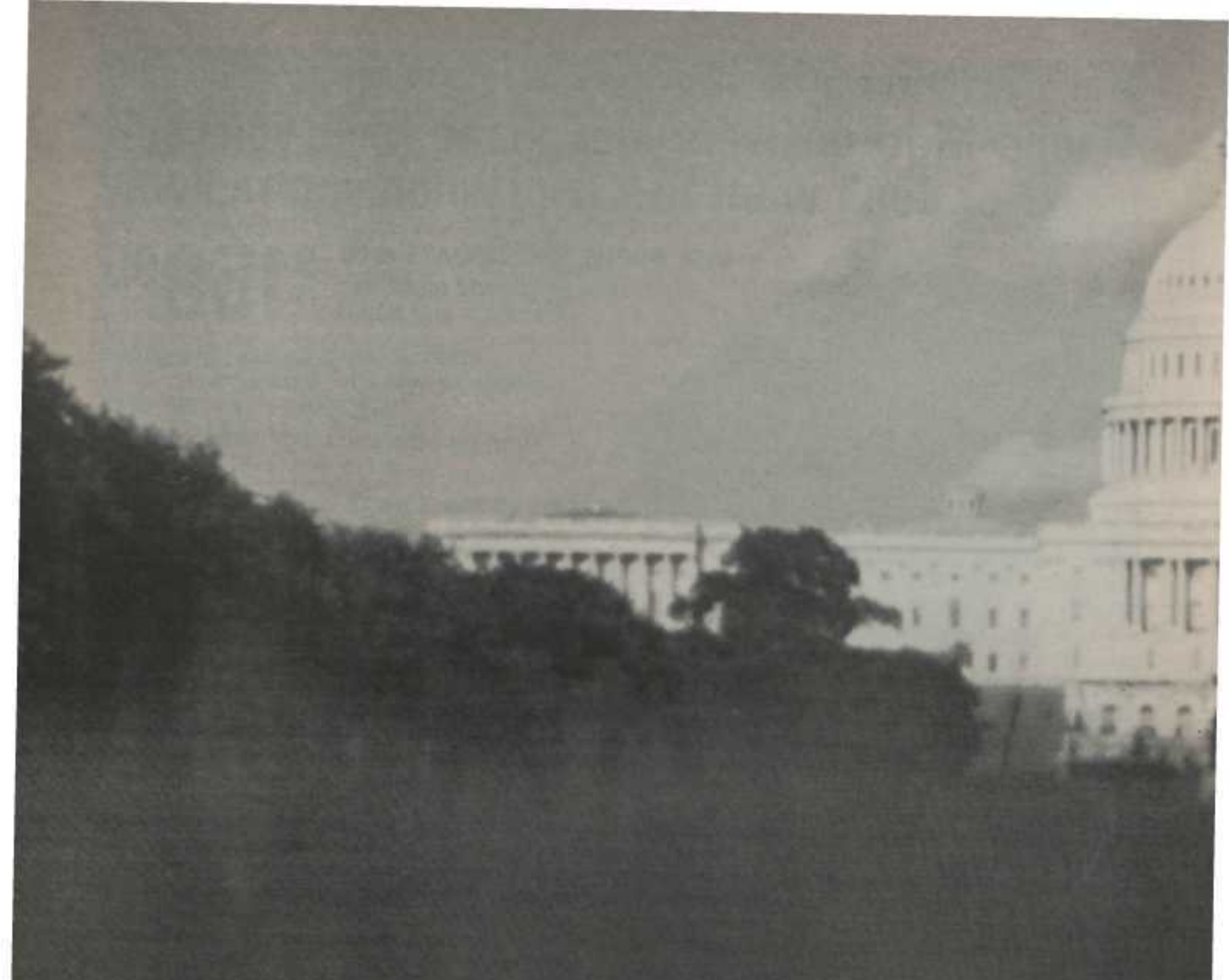
Please add \$2.50 shipping and handling for each unit ordered.  
 California residents please add sales tax.

Name

Address  Phone

City  State  Zip





62nd ANNUAL MEETING-APRIL 28-29-30, 1974







# CHAMBER OF COMMERCE OF THE UNITED STATES

More than 5,000,000 of America's community leaders—men and women engaged in business and the professions—make up the solidly based underlying membership of the Chamber of Commerce of the United States. Every spring, a great many of them come to Washington, D.C., to obtain, and absorb, firsthand knowledge about the

major issues from national figures in business and government. In 1973, the thousands of men and women making the trip to the Nation's Capital represented all of the 50 states, U.S. territories, and 31 foreign countries. April 28, 1974, is the date for the opening of the 62nd Annual Meeting of the Chamber of Commerce of the United States.

Once again it will be a time for the coming together of business and professional men and women to listen, discuss, meet with Congressional leaders and get a full understanding of the major problems they will face in the year ahead. If you are a decisionmaker . . . if you need to be on top of the issues . . . plan now to attend this important event.

*Have*

For additional information, write:  
Director of Promotion  
Chamber of Commerce of the  
United States  
Washington, D.C. 20006  
202/659-6183



AS OTHERS  
SEE U.S.

# UNCLE SAM STILL STANDS TALL

*German banker Diether Hoffmann believes the dollar has now recovered strength permanently.*



PHOTO: ZOO PHOTOGRAPHY—BLACK STAR

For domestic doomsayers who believe that the United States is in headlong retreat from greatness, the tonic to take is a trip abroad.

Knowledgeable people in other countries say that America may indeed be down, but that it is not out. In fact, they say, it already is in full comeback.

NATION'S BUSINESS sought readings on America's temperature in Belgium, Japan, Canada, Sweden, Denmark, Britain, Italy, France and West Germany. In the belief that informed non-Americans often can see America better than Americans can, personal visits were paid to important political figures, including a Prime Minister; business executives; and academicians.

Each was asked whether the U.S. will, or can, ever fully recover from the effects of such problems of the past dozen years as:

- A tragic, expensive war that was neither won nor lost.
- Monetary difficulties which led to two devaluations of the dollar.
- Inflation on a scale alien to U.S. citizens.
- Illegal and unethical acts by political leaders and their surrogates in the Watergate affair—an affair that clouded the future of the nation's Chief Executive himself.
- A Vice President, accused of crimes, who had to leave office.
- The cutoff of vital energy supplies by other nations.
- Rioting, inspired by racial frustra-





*make*  
John Turner, Canadian Finance Minister, warns against a turn to isolationism in the U.S.

*Have* *Julie* *Howl*  
Admiration for fundamentals in the United States is expressed by French diplomat Hervé Alphand.



PHOTO: DOMINIQUE BERNETTY—BLACK STAR



*Howl*  
Britain's Lord Carrington concedes America has troubles, but insists the worst is over.

*Play sent 4/2/74*



*Handwritten signature: Paul*



Jean Rey lives near the Brussels headquarters of the Common Market, which he helped set up. He predicts European financial aid for U.S. troops in Europe.

tions, in cities including the nation's capital.

- A wave of violent "to-hell-with-America" radicalism among some of the younger generation.
- Dope addiction, and crime, on a vastly increased scale.
- Political assassinations.

Certainly not all the foreigners questioned were optimistic about America's future—though all said they admire much of its past—but the great majority scoffed at gloom-and-doom attitudes. They pointed to dramatic recent improvements in the American balance of payments. They noted revived confidence in the dollar. They saw Henry Kissinger's non-stop one-man-band diplomatic negotiations as evidence of America's capacity for world leadership.

Domestic problems of a wide variety do beset America, these distinguished Europeans and Japanese agreed, but they pointed out that these problems in many cases are not as ominous as those besetting their own nations.

An example noted by several Brit-

ons is that America has nothing resembling the destructive labor practices found in Britain, nor does it have major unions under communist control.

## The energy crunch

One subject on which everyone had an opinion was the energy crisis. And down the line, America was adjudged to be in better shape to weather it over the long pull than any other advanced nation.

Lord Carrington, a stalwart in the Conservative Party and at the time Britain's Secretary of State for Energy, talked for an hour to a NATION'S BUSINESS editor in his office in the House of Lords.

"There's no question whatever that the United States will come out of its time of trouble. And for several reasons. Look at the energy situation in the world. Americans aren't bad off, even if they don't fully realize it, because they have native oil. They are better off than we here in Europe are.

"I would confidently say that America is on the way back already."

In another office in the Palace of Westminster, where the Houses of Lords and Commons meet, Denis Healey, a former Defense Minister who is now Chancellor of the Exchequer in a new Labor Party government, spoke along the same line.

The Middle East war of last October and the oil crisis put all the superpower cards back in America's hand, he said, for it has self-sufficiency in food and near-self-sufficiency in energy. He called America "a bubbling place—filled with new ideas."

He looked back to 1968—"a dark year when few Americans smiled, a terrible year of rioting, assassinations, Viet Nam." But now, Mr. Healey said, "America revives."

"By the way," he asked hopefully, "do you suppose Henry Kissinger could ever be President some day? I know him well. He's a plus."

Lord Carrington and Mr. Healey were speaking against a gloomy backdrop of troubles in Britain.

A quarter of a million coal miners were on strike, communist officials of unions were making speeches that bordered on sedition, inflation was in full canter, businesses were on three-day workweeks, there was more grumbling than swinging in London and the Conservative government had been forced to call elections for a new Parliament (which it lost).

All of which led Mr. Healey to ask his questioner: "And what, sir, do you think of Britain's future?"

Across the Channel in Paris—a capital usually occupied with criticisms and overt jealousy of America—Hervé Alphand had thoughts, too, on energy. Mr. Alphand, for many years the French ambassador in Washington and secretary-general of France's Foreign Ministry, looked with favor on the "fundamental and positive facts about America's future—the infrastructure, military strength, enormous energy supplies."

Mr. Alphand's own country was frantically trying to assure supplies of oil by making multibillion-dollar bilateral deals with Arab countries. The French Cabinet was soon to resign over domestic problems.

He said he was "optimistic for the long term" about America, and cited Americans' relations with other countries and with one another:



"There is their Constitution, which is now old but which still works. The problems of the black minority do not loom so large as five years ago. The Viet Nam War is over and the right policies have been chosen vis-à-vis Russia and China. For a while, the U.S. will continue to decline, but recent events—Watergate—are local factors."

Fuel shortages worry people in Japan even more than in America because Japan is totally dependent on oil imports.

Kiyoshi Yotsumoto, president and chairman of Kawasaki Heavy Industries, reflected on America's "great capacity" for world leadership and said he hoped the U.S. "will continue to exercise it."

"The best way to demonstrate it, I think, is to encourage close cooperation between the U.S., Europe and Japan. One example could involve the development of alternative energy sources by pooling our technology."

"Of course cooperation is a two-way street. Japan must cooperate, too. I think, in the past, we have been a little selfish. We can't afford that any longer."

#### Watergate and Viet Nam

The world may share worries about energy problems, but there has been only one Watergate. As they did on energy, everyone had an opinion on Watergate although some didn't want their opinions printed for fear of offending the Nixon Administration.

Watergate was called an "unmitigated disaster" several times. However, Edmund F. Truscott, managing director of the British woolen firm, John G. Hardy, asserted the scandal can be turned into an American plus. Mr. Truscott is extremely knowledgeable about America—his firm has U.S. subsidiaries, he is married to an American and he spends two months yearly in the States.

"America going down the drain? Ridiculous!" He laughed. "America will go on and on. Even Watergate will be beneficial over the long route. So much is being brought into the open where it should be. Here in Britain, if we had a Watergate the Prime Minister would resign immediately, of course. Then everything

would be swept under the rug the next day. There would be no cleanup as America is having."

"I wonder, sometimes, how many Americans realize the degree of jealousy there is for America. We Britons understand because others used to be jealous of us when we had half the world."

Watergate and the Viet Nam War were bracketed by several of those interviewed.

As both a West German Bundestag (lower house of Parliament) member and former visiting professor at Duke University, Carl Christoph Schweitzer knows America well. Mr. Schweitzer, whose own country is painfully aware of inflation—it has raged there without letup at 10, 12 and 15 per cent in the past three years—said

flatly that the U.S. economy is stable enough and capable of mastering any crisis. Then he pointed out "two neuroses."

"First," he said, "there is guilt for the Viet Nam role. Second, there is a crisis of 'Presidential democracy.'"

But, he said, "the Americans will accept the present challenge of the necessity of pulling themselves out of the rut. The basis is healthy. America is now in search of itself."

Jean Rey of Brussels, one of Europe's most respected elder statesmen, has strong links with the Common Market and with the U.S. He has served as president of the executive committee of the European Economic Community (the Common Market), as well as Belgian Minister of State. Known as a friend of Amer-



British woolen merchant Edmund Truscott, who knows the U.S. well, says "even Watergate will be beneficial" to it.



## Uncle Sam Still Stands Tall *continued*

ica, he has numerous and close U.S. business connections.

What he forecast for us is steady improvement. "Of course, America will survive, and prosper," he said. "Didn't she get out of the Viet Nam War, perhaps not with honor, but not with dishonor either? You won't find many Europeans who don't know the U.S. remains the world's most powerful nation. And furthermore, many Europeans think Mr. Nixon has done a good job in some ways, despite what others may say."

### Fear of isolationism

Mr. Rey then touched on a subject of great importance to Europeans—the continued stationing of more than 300,000 U.S. troops in Europe. "America will get monetary help from Europeans in maintaining troops here," he predicted, "because we must have them. America will meet the Russian military challenge."

Fear of U.S. withdrawal, not only

militarily but economically and politically, occupies the minds of many non-Americans, the interviews indicated. "Isolationism" is the trigger word.

"America is a great and powerful country and will continue to be," said Japan's Mr. Yotsumoto. "However, if economic isolationism becomes more of a force in the world, this will be harmful to all the free nations. It seems to me that maybe America is at a crossroads on world trade and is considering alternatives for the future, including some trade restrictions."

Another Japanese, Toru Cho, president of Mitsui & Co. (U.S.A.), called for close interrelated action between Japan, the U.S. and other countries to help shape "a better world economic structure."

The U.S. economy is still one of the world's strongest and most flexible, he said, and "now the world is once again looking to U.S. leader-

ship. Consequently, I believe one of the most significant developments of the coming year will be a global resurgence of faith in the U.S. economy."

And in Ottawa, Canada's Minister of Finance, John Turner, said: "I can understand the crisis of confidence in America—disillusionment about foreign aid, the distress of Viet Nam and Watergate, the devaluations—have reopened old temptations to turn to isolationism. That must not be carried out. And it won't be."

Though Canada in recent years has changed from being a close follower of the United States to a frequent U.S. critic, Mr. Turner said "the U.S. is still the world's leading nation, the number one economic power and custodian of peace." He added: "I am confident that Americans will rekindle their spirit of leadership and reassert their essential moral strength."

### The recovery of the dollar

One distinguished foreigner after another spoke at length on problems of the American dollar, the status of which has so large an effect on their own currencies.

Mr. Rey, an authority on world trade and monetary affairs who helped negotiate the Kennedy Round of tariff cuts in 1967, pointed to the resurgence of the dollar: "The dollar climbs back to its proper place."


Three other Europeans with optimistic views on America's financial position are Willy Korf, owner of Korf Industries of Baden-Baden, West Germany, who has large steel operations in South Carolina and Texas; Diether H. Hoffmann, executive vice president of Frankfurt's Bank fuer Gemeinwirtschaft, and Svend O. Soerensen, managing director of Copenhagen's Den Dansk Landmandsbank.

Mr. Korf said he judges recent economic developments in the U.S. "positively"—an opinion he is backing up with extensive and still increasing investments in the States. "I believe the U.S. is in a much better position than Europe," he said. "For one thing, inflation there is not as pronounced."

The dollar's recovery will be permanent, said banker Hoffmann, "if

# ENTIRELY BY MAIL Borrow up to \$10,000 OR MORE

A fast, extremely confidential money service designed to meet the needs of executives and professionals. No embarrassing questionnaires, no personal appearances—all emphasis on privacy and promptness. We think money transactions deserve special treatment. Mail coupon below.

**lettercredit** 

A personal service of First Pennsylvania Corporation—over 200 affiliated offices coast to coast.

	Cash Advance	Monthly Payment	FINANCE CHARGE	Total of Payments
24 MONTHS	\$ 3,000.00	\$149.77	\$ 594.48	\$ 3,594.48
	\$ 5,000.00	\$249.62	\$ 990.88	\$ 5,990.88
	\$10,000.00	\$499.24	\$1,981.76	\$11,981.76
36 MONTHS	\$ 3,000.00	\$108.45	\$ 904.20	\$ 3,904.20
	\$ 5,000.00	\$180.76	\$1,507.36	\$ 6,507.36
	\$10,000.00	\$361.52	\$3,014.72	\$13,014.72
48 MONTHS	\$ 5,000.00	\$146.87	\$2,049.76	\$ 7,049.76
	\$10,000.00	\$293.74	\$4,099.52	\$14,099.52
60 MONTHS	\$ 5,000.00	\$126.96	\$2,617.60	\$ 7,617.60
	\$10,000.00	\$253.93	\$5,235.80	\$15,235.80

ANNUAL PERCENTAGE RATE FOR ALL LOANS 18%  
Credit life insurance is included at no additional charge.  
Insurance not available to applicants over age 55.

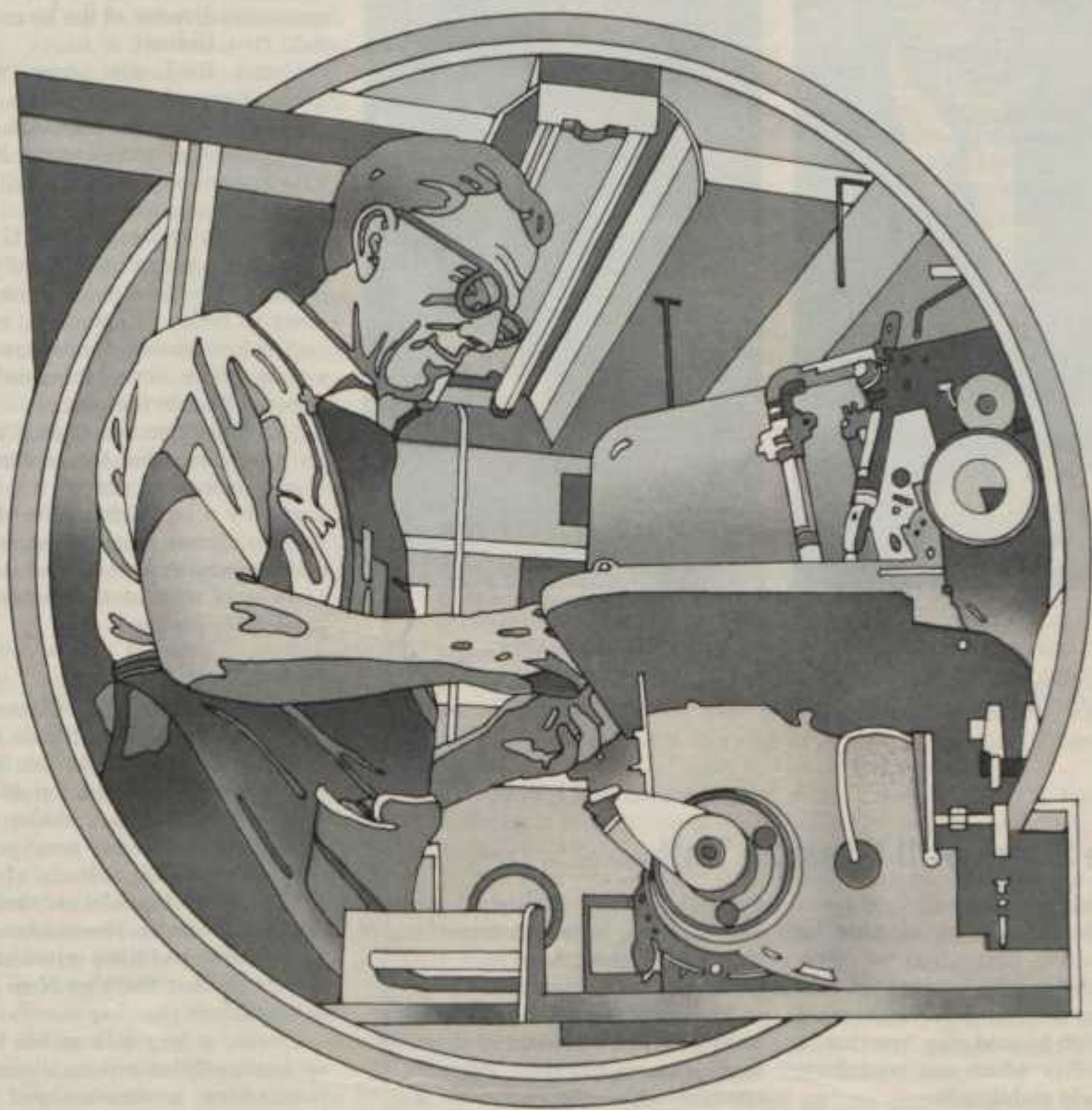
FPC FINANCIAL SERVICES, INC. 546 Carondelet St. New Orleans, La. 70130 Tel. (504) 522-6089

Name \_\_\_\_\_ Age \_\_\_\_\_  
Spouse's Name (if married) \_\_\_\_\_  
Address \_\_\_\_\_ Occupation \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_



**Whose business  
has a guaranteed  
daily income?**

**Any of the machine  
shop and other  
business owners protected  
by Safeco's "Valued  
Business Interruption  
Insurance."**




There are lots of good reasons for calling a Safeco agent about business insurance. One is our policy which guarantees a certain amount of income for each day when a customer's business is interrupted because of the peril insured against. We call this our "Valued Business Interruption Insurance." Not many insurance companies offer it. Add to that our other special features like our Continuous Commercial policy that cannot be cancelled during the premium period after it's been in effect for sixty days. And one of the broadest

ranges of liability contracts you can get. That we can continually update your insurance to reflect the rising costs to replace your building anytime in the future.

Combine all that with fast, fair claim service and you'll find Safeco is the best business insurance company you can do business with.

Why haven't we bragged about all this before? Because we've got many happy business owners doing it for us. So, look in the Yellow Pages for the number of your local Safeco agent.

**You can smile when your business is with Safeco.** 



neg out  
4-2-74

PHOTO: NEIL GOLDSTEIN—BLACK STAR



Swedish Prime Minister Olof Palme finds it praiseworthy that Americans can debate any subject with vigor.



America, says Kiyoshi Yotsumoto of Japan's Kawasaki Heavy Industries, may be "at a crossroads on world trade."

## Uncle Sam Still Stands Tall *continued*

the U.S. masters domestic and overseas problems." He noted what he called positive beginnings on overseas problems—the ending of the Viet Nam War, and recognition of China, which he said give America "a new flexibility which can contribute toward world stability."

Banker Soerensen said a solution "must be found to international monetary and economic questions, and this depends on American skill and leadership, and on cooperation between industrialized and oil producing countries."

Several Europeans pointed out that although the United States and the nine Common Market nations have populations of nearly the same size—about 200 million—the U.S. gross national product is far larger.

Considering this ability to produce and perform, there was something of the feeling that America's troubles have been "overdramatized."

That was the word used by Bernhard Plettner, president of West Germany's electronic giant, Siemens. He commented on the enormous size of the American market and its capacity to develop. The dollar, he said, was overvalued for many years due to political circumstances and now he applauds the increased interest of American business in exporting.

He also emphasized two points: 1. The political and economic order of the world can only remain in balance if the U.S. continues to carry the responsibility it has traditionally assumed. 2. Americans have the ability to meet challenges "in a particular-

ly energetic and persistent manner."

Others with generally cheery views of America's future included Count Rene Boël of Brussels, former head of the Belgian chemical firm, Solvay, and a principal negotiator of the Bretton Woods international monetary agreement; and Paolo Buttoni, managing director of the large Italian food firm, Buttoni.

Count Boël was more worried about Europe's future than America's. The U.S., he said, has an old and proven political system, has private enterprise, one language, a huge market, good managers.

Said Mr. Buttoni: "The U.S. will go through enormous internal tension because it will have to undergo torment in order to agree on, redefine and communicate a new system of values, more acceptable and more humane than in the past."

"At this stage one cannot exclude the possibility that the emergence of a new system of values will be followed by a basic change in the productive system so as to put spiritual and human, rather than the animal aspects, of man at the center of the productive process."

### Views from Sweden

Few countries have placed more blame on the United States for the world's recent ills than has Sweden. But two Swedes at the top of the social and economic ladder found America still a land of great promise.

Tore Browaldh, deputy chairman of the Nobel Foundation and chairman of Svenska Handelsbanken, a major bank, had little criticism of the U.S., now that the Viet Nam War is finished.

During a long talk at his bank in an antique-filled private dining room overlooking a snow-covered Stockholm park, Mr. Browaldh begged Americans "not to lose faith in your country." He noted—with approval—that America is "rapidly evolving into a welfare state" and said this is putting it under "stress."

But: "You are pulling out of your troubles, and admittedly they have been big ones. You have quieted your university students, while we Europeans haven't quieted ours. Your racial problems are diminished. You have a leadership problem, but that



will be solved, too. You have a solid economy, your industry is a world leader, your managerial skills are far ahead of anyone else's. The dollar is sound. Your Secretary of State is a wonder and you have improved relations with China and the Soviets."

Pehr Gyllenhammar is managing director of the Swedish conglomerate, Volvo, which is investing hundreds of millions of dollars in an automobile assembly plant in Virginia. He laughed when asked if America has slipped too far economically and morally to recover.

"I think not or I wouldn't be putting all that money to work over there," he said. "I fell in love with America 14 years ago when I lived there, but to be honest I must say there has been some deterioration in its political life. There is trickery, more violence and crime. The Soviets are villains, but except for the Czechoslovakian invasion, Russia has kept its finger off the trigger. The U.S. hasn't in Viet Nam."

"Unquestionably, some foreigners are not so fond of America as they were in years past."

#### History and "myths"

This last thought was put into words several times during the interviews, and longtime American residents abroad agree that it is true. The Marshall Plan and the mighty U.S. contribution to Hitler's defeat built admiration for America to a high point. The war in Viet Nam dragged it to a low point.

Watergate, however, has not detracted from the American image as much as many Americans think, perhaps because political skulduggery is more common in many European countries than in the U.S.

Mr. Gyllenhammar continued his critique: "The U.S. has vitality, new ideas. It's a great country. There's freedom of discussion, far more than in Sweden or anyplace else. Americans don't object to criticism and there is freedom of the press—two fine attributes."

Jean-Louis Servan-Schreiber, a French publisher and TV commentator—whose brother, politician and publisher Jean-Jacques, has attracted much attention in the U.S. with a book he wrote about American-Euro-

pean economic relations—was less complimentary.

"Myths have been shattered by recent history," he said, "and the U.S. role in the future depends on a new image. Three facets are: 1. Way of life: Even countries which have not achieved it [the American way] know it leads to a dead end of empty lives and tremendous waste. But many pioneering American life-styles still lead world trends. 2. Know-how: This minor art has fast been learned elsewhere [than in America]. Only the Russians are still impressed by it. But the rest of the world still lacks America's capacity to change fast. 3. Power: The dollar has lost its magic."

However, he went on: "The U.S. will more than ever lead world poli-

tics because Americans are politically more united, materially more self-sufficient and militarily more credible than other Western countries."

Paul Lichtenberg, general manager of West Germany's giant Commerzbank, urged a new look at the old American role of "big, rich brother" to Europe—even though, he said, this would mean Europeans would have to shoulder a heavier financial burden for their own security.

Those most doubtful about America included Luigi Barzini, the Italian writer. "America is slowing and Americans can no longer avoid facing up to themselves," he said. "The myths they have created—the invincibility of America, the frontier, global omnipotence—all have to be adjusted in the light of reality. Even

## America, the Indispensable

America is not headed for history's ashcan, but is still flag carrier of the Western World. This is the opinion of Franz Josef Strauss, a West German political leader who has served as Minister of Defense and Minister of Finance.

His thoughts, expressed in a *Nation's Business* interview, are particularly notable because he has been accused of being anti-American—of being a follower of France's late Gen. Charles de Gaulle.

"I have a fundamental belief in the future of the U.S. I believe America is indispensable for the world in its present situation and its future," Mr. Strauss said in Munich.

"If I were not capable of believing that, I would migrate to another planet—because Europeans will only be able to solve their problems if they get assistance from a closely allied, sound, strong America."

"My political background has not necessarily been 'pro-Atlantic.' I have been a European, sometimes erroneously labeled a 'Gaullist.' But I have never advocated, nor agreed with, a European future without, or against, the United States."

"When the Middle East flared up last autumn, it was the U.S., shaken as it was by the Watergate scandal, which immediately took things into hand and squelched the conflict. Europeans did nothing."

"I believe the future of the world is dependent on the U.S. and we should build on this. Otherwise, we can write about our future, as Dante wrote in 'The Inferno': 'All hope abandon, ye who enter here.'"

"The more the Europeans fail as true partners of the Americans, the more the Americans are forced to coordinate their world-wide policies with the Soviets."



## SAVE NOW ON EXECUTIVE LOANS

**\$2,500 to \$25,000**

**CASH BY PHONE IN PRIVACY**

As an executive, managerial or professional person, you save on interest rates with Capital compared to most other executive loan services.

On approval you get more money, as much as \$25,000 in your hands as fast or faster than you could get it locally.

Loans are made in complete privacy. There are no personal interviews, nor do we contact your friends or business associates. Many thousands of satisfied customers throughout the U.S. Full prepayment privileges.

We lend fast—get the facts now—without obligation.

**Call our toll-free**

**"LOAN LINE"**

**(800) 854-2754**

From California phone Collect  
(714) 433-2380

**Capital  
Financial  
Services**

Dept. NB  
Suite 208, 1930 S. Hill Street,  
Oceanside, Calif. 92054

## Low price time clock helps small companies meet strict requirements of wage-hour law

For fast information at no obligation, phone  
TOLL FREE 1-800/241-4990, (in Georgia  
phone collect 404/691-0400), or  
mail coupon.



LATHEM TIME RECORDER COMPANY  
174 Selig Dr., S.W., Atlanta, Ga. 30336

Please send me data sheets, prices,  
and time card samples.

Name \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

**Lathem**

TIME RECORDERS  
PROGRAM TIMERS  
TIME STAMPS  
WATCHMAN CLOCKS

## Uncle Sam Still Stands Tall *continued*

the idea that progress is inevitable will come in for critical reappraisal."

Also doubtful of America's future were N.H. Chi, chairman of the political science department, Carleton University, Ottawa, and Sweden's Prime Minister Olof Palme.

Prof. Chi said the U.S. faces a political and economic crisis as serious as the Civil War or the 1930s Depression because it similarly requires radical change.

"Whether the U.S. faces up to the challenge or succumbs," he said, "depends on the ability of the American society to produce another Lincoln or a Roosevelt. Mediocrity at the top might be sufficient in normal times, but it is hopelessly inadequate in situations of crisis."

Prime Minister Palme is a socialist whose party depends on communist votes in the Swedish Parliament, and who has been loudly critical of America's actions in Viet Nam—he once even made remarks which appeared to equate U.S. bombing of Hanoi with Nazi atrocities (but now insists an improper connotation was given to what he said).

### Distant relationship

The U.S. and Sweden have not exchanged ambassadors for two years, but Mr. Palme has been anxious to reestablish full diplomatic relations. A recent loss of part of his strength in Parliament is said to be a repercussion of the friction with America.

When President Nixon last month agreed to resumption of full-scale relations, announcing as his choice for ambassador a man who has been called a deep-dyed conservative and a hawk on Viet Nam, Mr. Palme expressed "satisfaction."

An interview with the Premier, who received much of his advanced schooling in the U.S. in the 1940s, was set for 30 minutes. It lasted nearly two hours.

He would not describe himself as pessimistic about America, but said he "questioned" whether the U.S. would solve its problems: "There is no doubt in my mind that America can, if it sets its mind to it, overcome the situations of the past 10 or 15 years. But will it?"

When he studied in the U.S., he said, the spirit of Americans was,

"The world is ours for the taking" and "We're going to make a better world." He recalled strength and vitality.

Nearly 20 years later he went back to America, the Premier said, and found racial conflict deeper, although laws affecting race relations were improved. He also found the generation gap, the Viet Nam War and a bad situation in the cities.

"I was struck with the divisiveness, the pessimism of America," he said. "I was disappointed. We Europeans expect so much of America."

The recent absence of rioting in the U.S. is not necessarily a good sign, he added, because the explanation may merely be that people have too deep a sense of frustration to riot. He suggested a national program for the cities—"Get the money, whatever is needed, through taxes to pay for the program."

However, Mr. Palme said emphatically that America still has vast material resources, great people, ingenuity, and an admirable ability to debate any subject with vitality—which he termed an essential for progress, although "remember, a debate can become stale." He also said he approves of President Nixon's "truly statesmanlike" moves toward Russia and China.

"America has the resources to take the lead in an era of understanding and to help the poor world," he said. "America will never be weak, but it cannot be strong unless it solves its internal divisiveness."

"Any country that can put a man on the moon, produce the Marshall Plan and solve problems of World War II has the power to solve its own problems. That is a matter of political will. Many countries have some of these problems. Sweden does. We usually get our problems three years later than America."

Weighing Mr. Palme's comments along with the comment of the others, this consensus emerges: The United States is coming back strong. The nadir is passed. Americans may have to make some adjustments, but they would do well to follow advice given them by Sweden's Tore Browaldh when he was interviewed: "Don't lose faith in your country."

—STERLING G. SLAPPEY





This Month's  
Guest Economist  
**Daniel T. Carroll**

*Daniel T. Carroll is executive vice president of Chicago-based Gould, Inc., a manufacturer of automotive, electronic and electrical products.*

## A Chance to Outstrip the Competition

Effective planning for the ups and downs in the nation's economy—either as a whole or in one or more segments—can give a company the opportunity to come out of a down period stronger than it went in.

The basic problem, of course, is that most companies just don't plan as well as they should for business downturns. Contingency planning is often regarded as little more than an intellectual exercise. For the most part, there is a half-heartedness to it which results in a lack of specifics, a lack of practicality and little or no sense of urgency. It's almost as if the contingency planners were asked to solve a newspaper crossword puzzle instead of preparing a gut-level

plan that they might need to implement next week.

Contrast this situation to planning for the company's growth, where all the best brains in the corporation are brought in to do the job. Yet contingency planning represents one of the greatest creative challenges to today's manager, and can also offer substantial rewards. In its proper perspective, contingency planning should be viewed as a solid opportunity to outstrip competition, in spite of adverse economic conditions.

Two terms, in particular, are of utmost importance in effective contingency planning: "trigger event" and "alternative action."

At our company, we define con-

tingency planning as the establishment of alternative actions, in advance, for use in a variety of adverse business circumstances. The objective is to cause the company, or one of its divisions, to achieve its originally planned profit in spite of changes in circumstances. In very specific terms, actions are described that will be implemented upon the occurrence of definable and predetermined trigger events—events that will alert managers to dangerous situations.

So many contingency plans spell out what to do, but don't tell the manager when. And timing is perhaps as important as the action to be taken. Therefore, a good plan must define the trigger event. For example, a plan could state that a given series of actions are to be started "when orders on product line 'A' trend downward at a certain rate for three months in a row."

The key point about initiating alternative actions is that it's not like firing a starting gun at a relay race. The process should not be irreversible. The actions must be sequenced so the manager does not precipitate himself into a "bare bones" situation immediately. The beauty of sequenced actions is that they can be speeded up or slowed down, depending on changing conditions.

For example, price cuts can first be tried to restore volume, and then perhaps there can be a special promotion with an added salesman's incentive. If these actions are not enough, changes in discounts and packaging might be introduced, and so on. Only after these and other steps are taken is serious cost-cutting perhaps called for.

No manager is competent enough as a soothsayer to be sure orders for product line "A" will continue to taper off, or to foresee when they will plateau or rise again. Thus, with sequenced actions a contingency plan can be halted before the manager has emasculated the company by shutting down production lines and the like. And most important: A company or division's momentum is not entirely lost.

Unfortunately, most contingency plans are expressions of negative thinking. They're replete with such



## This Month's Guest Economist *continued*

items as what expenses will be cut and how many people will be laid off.

This is not really contingency planning at all, but more like a disaster plan for the liquidation of the business. What usually happens is that a company will cut research or product development, advertising and marketing costs, and staff activities like planning, and will even close plants. Actions like these simply mortgage the future, because when the marketplace starts turning up again, the company has no new products coming out and not enough quickly available marketing or production capacity. Very importantly, critical lead time and market position can be lost to competitors, who may be better contingency planners and know enough to cut fat but not muscle.

How do you come out of a contingency in better shape than when you went in? It can be done by having both positive and negative al-

ternative actions. Examples include:

- Accelerating development of a product that will perform out of phase to the market downturn, and—for the short term—slowing down development of products which have a longer development lead time or are aimed at that down market.
- Accelerating overseas programs if the downturn is limited to the United States.
- Accelerating promotional programs that serve unaffected markets.
- Accelerating advertising programs in the downturn market. This has the effect of differentiating a company from the panic-stricken ones which reduce or eliminate marketing communications.
- Accelerating the hiring of people who have crucial skills. More experienced and capable people are accessible in a market downturn because they become estranged from floundering and panicky managements.

Another key point in contingency planning is to make sure the plan's specifics are such that a manager can get a firm grip on the parameters of the contingency. Some contingencies, of course, are far less serious than a general economic downturn; this is most often true for a multi-market, multiproduct, multidivision company. It is important that the alternative actions taken are no more or less drastic than the contingency itself.

In summary, it is the lean, able, perceptive companies that overtake the sleeping giants in periods of economic uncertainty. This is not to say that large, well-established companies cannot effectively plan for contingencies. They can, but too often contingency planning is left to the second team.

It must be done creatively and enthusiastically by the best management brains a company has.

### THE COMPLETE LOWDOWN ON WHY SOME PRETTY BIG OUTFITS DECIDED TO LOCATE IN MIAMI.



A slightly biased look at Miami.

A totally unbiased look at Miami.

Because there's hardly anyone over the age of six who hasn't seen a brochure showing beautiful girls in bikinis on our beaches, it's tough to convince people that Miami is the fastest growing city in America in light industry and corporate headquarters.

Nevertheless, it's true. A lot of big companies are setting up plants here. Outfits like Dade Division, American Hospital Supply; Suave Shoe; Colebrook Mills, Division of Bobbie Brooks. And a lot of big companies are setting up regional or corporate headquarters here. Like Dow, 3M, Eastern Airlines, Texaco, American Welding Society.

The reasons why they selected Miami are in two new booklets, the first a report by the Greater Miami Chamber of Commerce. (Admittedly, a little biased.) And the second, a study by the Fantus Company. (About as unbiased as it's possible to be.)

Attach this coupon to your letterhead. We'll send you both.

William L. Cohn, Director  
Office of Economic  
Development, Dept. NB474  
1200 Biscayne Blvd.  
Miami, Florida 33132

# MIAMI

\*Metropolitan Dade County, Florida

Send me the books on Greater Miami. If I like what I see, I'll give you a call and you can do a special study on what Miami has to offer my company.

Name

Title

Company

Address

City/State/Zip



**SHARP THE COMPANY THAT  
CREATED THE INDUSTRY™**

**CREATES NEW TIME AND MONEY SAVERS—  
3 SUPER-FAST PRINTING CALCULATORS.**



**CS-523.** Sharp's most economical tape calculator. And a space saver. Because it's like 2 machines in 1. A high-capability calculator and a 10 key super-fast adding machine. Handles complex calculations, percents, taxes, discounts, 12 digit printout—red for negative numbers. Add Mode. Buffer register. Automatic decimal. Overflow error check.



**CS-627.** With 12 digit printout. Adding machine style keyboard brings greater efficiency to all adding machine functions. And for extra efficiency Sharp's keyboard interlock prevents hitting 2 keys at once. Performs mixed calculations, percents and discounts. Super-swift printing. Red print for negative numbers. Memory. Buffer register.



**CS-628.** 12 digit printer plus an electronic display. Use either or both. And print any display figure with the touch of a special key (even if the tape is not set for operation). Use both tape and display for complex work. Red print for negative entries. Input buffer speeds up calculations. 30-second drum shut-off for silent operation. Add Mode.

■ Professional business equipment sold by business equipment professionals. ■ From the world's largest maker of electronic calculators.

Create industries? Sharp has. In 1915 with the world's first mechanical pencil—ever sharp. And in 1965 with another world's first: the electronic calculator. So another industry was created by Sharp. Then Sharp received a NASA Award for our microscopic ELSI circuits. In turn, you received the world's most reliable electronic

printing calculators. Smaller in size, bigger in performance. Sharp provides a full line of them. So you choose the precise capabilities you need.

**Phone toll-free 800-447-4700 for your nearest Sharp Dealer. In Illinois phone 800-322-4400.**  
**Or just mail the coupon.**



**THE COMPANY  
THAT CREATED  
THE INDUSTRY™**

Sharp Electronics Corporation, Dept. NB-1  
10 Keystone Place, Paramus, N.J. 07652

Send me full information on Sharp, the complete line of calculators.

Name \_\_\_\_\_ Company \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_





**ENERGETIC**

**OKLAHOMA**

**Has It All  
NOW!**

**There's A Reason**

Major companies are putting new plant investment into Oklahoma. Compare power rates and ability to meet your needs today and tomorrow. Write, wire or call: Director, Industrial Development Division, 500 Will Rogers Memorial Building, Suite H, Oklahoma City, Okla. 73105. 405-521-2401. All queries confidential.

**ENERGETIC  
OKLAHOMA**

## the world of industry

*continued from page 12D*

tric Industrial Co. Ltd. (Panasonic), the world's two largest manufacturers of tape recorders, have entered into nonexclusive license agreements to manufacture and market the equipment. It's estimated that the inclusion of this "Variable Speech Control" feature, an invention of Murray M. Schiffman, will add less than \$50 to a recorder's retail price.

A solid state system, it can be adapted by manufacturers to any standard cassette recorder. The rate of speech playback can be varied from 90 to 450 words per minute, without altering tone or pitch.

Average speaking speed is from 120 to 150 words per minute, so for the rapid listener the advantages are obvious—a one-hour tape can be heard in about 20 minutes. •

### Peelers May Not Be in the Chips

Any time you can save a food-processing step you save energy and labor. But that may be costly for another businessman.

Take the potato chip.

The Agricultural Research Service has a potato research center at East Grand Forks, Minn., where that favorite American snack item, the potato chip, is duly studied and where efforts are made to improve it. Operators of potato chip plants have been among visitors who tour the lab—the Red River Valley Potato Research Center—and sample the different products.

A while back, scientists at the lab noted that visitors rarely detected something: The chips were fried from potatoes that hadn't been peeled. Came the obvious question: If visitors—manufacturers and consumers alike—didn't object, then why peel?

If the potatoes weren't peeled, it was found, the yield per 100 pounds increased 4.5 pounds, a waste problem was eliminated and the chips—beautified with a golden ring around the edge—were more nutritious because many of the nutrients in potatoes are close to the peel.

Makers of peeling machinery cannot be expected to be overjoyed at all this. •



### what no cities?

Oh, Baltimore County has attractive towns and communities . . . but we have no incorporated municipalities.

This means there is but *one* local government, *one* local taxing authority. There are no city or township taxes to pay . . . and Baltimore County's tax rate is reasonable.

Other advantages your company will find in Baltimore County include ample skilled labor, a wealth of cultural, recreational and educational opportunities, 10,000 acres of industrially-zoned land, nearness to markets, plus land, sea and air transportation advantages. . . . And, again last year, industrial taxes were reduced in Baltimore County!

**YOUR COMPANY WILL DO BETTER  
IN BALTIMORE COUNTY, MARYLAND!**

Contact us for all the reasons why:

H. B. Glasb, Director

Industrial Development Commission, Jefferson Building  
Towson, Maryland 21204

Baltimore County has



(\*Industrial Tempo  
that works for you!)



# Randustrial® Catalog Offers NEW PRODUCTS



**NEW SPRAYABLE ELASTOMER ROOF COATING** dries overnight to a black rubber roof surface. It is a product that employs the latest developments in synthetic roof coating materials. It absorbs expansion and contraction of the roof without cracking and peeling. Reinforcing membrane is rarely required due to its extremely good cohesive strength and body. Use our Roof Spray Equipment free of charge to apply the elastomer smoothly and efficiently at a minimum of labor costs.



**NEW LOW DENSITY OIL ABSORBENT COMPOUND** is a porous material that picks up oil spills, paints, coolant compounds, and practically all other liquids. It may be spread beforehand in areas where spillages are likely to occur to prevent dangerous floor conditions. Wait a few minutes until it is absorbed, sweep it up, and discard it. Check coupon for a FREE 2 Gallon Sample.



**NEW EXTRA POWERFUL WEED AND BRUSH KILLER** is the most recent development in vegetation control. One application sterilizes the ground of hard-to-kill weeds and grasses for one or more seasons. It is readily activated by very small amounts of ground moisture and "browning out" commences almost immediately. Check coupon for FREE 2 Pound Sample.



**NEW FREE 1974 CATALOG** offers an expanded line of traditionally well respected Randustrial® maintenance products. It has been enlarged from 56 to 64 pages. It includes the products shown here as well as other new products, and, of course, includes the products for which Randustrial® has been known for many years. Check coupon for your FREE copy.



**NEW FLOOR CLEANER AND SEALER KIT** contains everything required to properly maintain floors in industrial, commercial, and institutional buildings. The cleaner combines detergents, wetting agents, and cleaning chemicals to provide a floor cleaner effective on all types of soil. The floor finish dries to a self-polishing, hard, lustrous finish that is easy to clean and stands up under abrasion and spillages.



## Randustrial, Corporation

13251 Union Avenue/Cleveland, Ohio 44120  
Telex: 980 374 Phone: (216) 283 - 0300

Please send FREE SAMPLES of the following:

- ☐ Weed and Brush Killer
- ☐ Oil Absorbent
- ☐ Send further information on Floor Cleaner and Sealer Kit
- ☐ Send FREE 64 Page Catalog.

(Sample offer not valid for home use.)

NAME \_\_\_\_\_  
TITLE \_\_\_\_\_  
COMPANY \_\_\_\_\_  
ADDRESS \_\_\_\_\_  
CITY, STATE, ZIP \_\_\_\_\_  
TEL. NO. \_\_\_\_\_

(area code) number



# Consider another country for your business.

Our country. Virginia Beach.

New. Only 11 years old. So we don't have many of the restrictions that older, more conventional areas have accumulated.

Consider that our tax structure is one of the lowest compared with any U.S. city over 50,000 population.

Consider our excellent labor supply. We have an exceptional employee bank with generous numbers of females and persons with previous military experience in management and technical fields. Virginia's right-to-work law gives each citizen the opportunity for employment regardless of organization affiliations or lack of them.

Then, consider OCEANA WEST at Virginia Beach. An unusual business environment of 1000 acres

*When it comes to  
business, we're a  
different country.*

planned as three separate but adjacent industrial areas. You can buy or lease sites in any of the three sections:

Executive Park—devoted exclusively to office and research complexes.

Light Industrial Park—planned for industries like electronics, communications, light assembly and processing.

Warehousing and Distribution—for light manufacturing distribution needs with rail.

Oceana West has full support facilities

including sewer, water and streets. Hampton Roads deepwater ports are only a few miles away.

Explore the full facts that show how Virginia Beach offers a vigorous climate for business. We're eager to help you with data for consideration.

## OCEANA WEST at Virginia Beach

Light  
Industrial  
Park  
(450  
acres)

Executive  
Park  
(150 acres)

Warehousing  
& Distribution  
(400 acres)

Telephone our Department of Economic Development in the capital, (804) 427-4541. Ask for either A. James DeBellis, Director, or Walter N. Alford, Industrial Coordinator. Or, write to 6 Municipal Center, Virginia Beach, Virginia 23456.

# VIRGINIA BEACH





# Shortcuts to Better Sales

It's one thing to produce something, another to market it; are your people marketing-minded?

Getting a product or service sold at a profit requires:

1. A state of mind.
2. Some decisions on what you can (and can't) expect of marketing.
3. A plan, no matter how simple, based on those decisions.
4. A regular checkup, or audit, to see if the plan is working and if not, simple adjustments to make it work.

Production-minded people go into business because they know how to make something well, think there should be a need for it and want to make it. If their product doesn't sell as well as it should, their feelings are hurt. Nobody appreciates their precision-made, nickel-plated buggy whip socket.

Marketing-minded people, on the other hand, go into business because they recognize (and verify) a real market need, and set about to fill it at a price the market will pay and a reasonable profit to themselves. They may even get someone else to make the product—their skill lies in having the customer's point of view, and serving it constantly.

Many smaller manufacturers lean toward production-mindedness, and it's easy to see why. They started making something, and people began to buy. Most of the boss' background was in production, and this was a great asset until some marketing-minded competitor started knocking the socks off him, with better styling, pricing, selling or promotion—or a skilled combination of these, which is called marketing.

BURTON SCHELLENBACH, author of this article, is a Hendersonville, N.C., marketing consultant. The article is excerpted from a forthcoming book.

SPARKING: CHARLES B. DUNN



There is a simple way to test your organization for marketing-mindedness, and even to instill it if it's missing.

## Red vs. blue points

Get two four-by-eight-foot sheets of wallboard, and prop them up side by side in a meeting room. Assemble a box of thumbtacks, a marking pen with blue and red points and a pack of three-by-five-inch file cards. Now get a group of your people together, and ask them to help you list the advantages of each of your products.

The discussions should be separate; a half hour should serve for each product, to get the process started. You may hear about advantages like: "We have spiral bevel gears," or "three coats of baked enamel."

"Fine," you say. "Those are blue points!"

You write each of them in blue on a card and thumbtack the cards to one sheet of wallboard.

Now, you explain, you want to hear some red points. What do these things mean to the customer?

If your people are production-minded, you may get a dead silence. Then someone may pipe up: "It runs with a whisper," or "Its outdoor protection is good for 20 years."

"Ah," you say, "those are red points!" And you write each of them on a card in red and mount the cards on the other sheet of wallboard.

Hopefully, after a few sessions like this, your people will constantly think of product features in terms of user benefits.

You will have translated blue points into red points.

Go through the same exercise for your company. What overall advantages does it have—apart from its



## Shortcuts to Better Sales *continued*

products—that represent real benefits (not just claims) to your customers?

Service?  
Shipping?  
Credit?  
Location?

### What marketing-mindedness can do

I leave it to your imagination how much this can accomplish in any organization.

First, it can provide large-bore ammunition for salesmen, and advertising. Second, it can get the whole organization (if all participate) thinking about red points instead of blue points, and this is how men, and organizations, become marketing-minded.

Third, (and I hate to bring this up) it can, if you do it honestly, provide a means of comparing your company and your products with competitors' from the buyer's standpoint. This could show:

1. That some of your products are overengineered—you are building in expensive blue points that can't be translated into red points. Eliminate them, reduce your price, and watch what happens!
2. That a competitor has more red points in his products or company than you have in yours, and the prices are about the same. If this happens, look out, for you are about to lose some old friends—and soon.

I dare you to get a group of your people together and try this simple experiment. You can't possibly lose, and it could be the dawn of a new, marketing-minded era in your company's ads, literature, sales training, selling and net profit.

Maybe even in you!

One thing that you absolutely cannot do in marketing is to ride off in several directions at once and expect to accomplish anything. This proves itself time and again. Therefore, a great deal of the success of anything you do in marketing depends on deciding ahead of time exactly what you're going to do, then seeing that your whole marketing organization works on just that and nothing else.

This is based on the common-sense fact that if you aim at a target, you have a better chance of hitting it than if you fire a lot of scatter shots.

### What'll you have?

Do some very serious thinking about your business needs—next year, for the next three years, perhaps for the next five years. These needs, of course, will change as you move along. Your most important need next year, for example, may be one of these:

- To introduce a new product.
- To revitalize an existing product.
- To get more distributors.
- To move into a market you haven't sold before.

You may say: "I'd like to do all four of those things next year!"

Perhaps you can—but the chances are that you don't have the resources.

Since getting anything done in marketing depends almost entirely on motivating people, including you



*Production minded*



*Marketing minded*

and your organization, as well as distributors and customers, you will find that time is your most precious marketing resource.

Facets of this resource include:

- Your salesmen (the amount of time they actually have available from routine customer-service).
- Your headquarters staff (ditto).
- Your own management time (how much can you devote to overseeing the marketing job?).

Other marketing resources:

- Your money (up to a certain point, money can accelerate the job—but only up to a point).
- Your skills.

You can see that the trick is to select the tasks that are most important, and arrange them in a priority or-





Don't scatter efforts at target

der according to an honest appraisal of the resources you have to get them done. These are marketing objectives—simply the jobs that need to be done, stated so clearly that everyone down to your new apprentice salesman can understand them.

#### Take its measure

One more important detail: To be any good, an objective must be measurable. For example, "to get more distributors next year" may mean one thing to you, something else to your sales manager, something else again to your treasurer, or controller or star salesman.

But if you state an objective this way: "To increase our distributors from 35 to 50 next year" (and even better, define how much stock each is to carry) you accomplish three important things:

1. You make a decision in advance, on a goal that is practical: signing up, in 12 months, 15 more good distributors.
2. You have an objective that is specific, and so can be split up between those who are responsible. For example, five salesmen can be assigned three apiece.
3. You have an objective that is measurable. At the end of the period stated, you can see that the job was or wasn't done, find out why, and learn something.

How do you draft a list of such objectives?

One way is to solicit the help of your key people. They can help most intelligently if you explain the need to be practical, specific and measurable. Then it's your job to weigh all of your company's valid needs against your resources, and to set priorities. Some people come up with 10-year plans this way.

You can pay an outside consultant a few hundred or a few thousand dollars to help you do this. If the alternative is to keep putting off the job "because you're too busy," a good consultant may be worth his salt just to get you off dead center. But see that he doesn't make a career out of it.

Think of your plan not as a big book with the company name on the front in gold, but as a collection of

single sheets of paper. Page 1 states your overall objectives (not many, or you won't accomplish them). Each succeeding page covers a product line.

A marketing plan is merely an agreement between you and your key people on where you're going, how you'll get there, how long each step will take, who is responsible for each step and how much it will cost.

The simple fact that you have achieved agreement on those five things, and it's written down as agreed, will probably get it done.

On your objective sheet, write a short paragraph detailing how each objective will be carried out, by whom, and by when. On each product line sheet, describe the product, its market, its competition, its pricing, and the inventory required.

Does it need advertising or literature? In what month or months will your salesmen concentrate on this product?

Above all, tie the whole thing together on a calendar so the inventory will be ready, the advertising out, the salesmen selling, the distributors stocking, the literature available, when needed.

It is not my purpose to detail an involved process here. Having a simple, common-sense plan is infinitely better than getting stuck trying to prepare an elaborate one—and ending up with no plan at all.

Marketing strategy, for example, is a favorite subject of many businessmen. What clever gimmicks are you going to use to get distributors to stock, advertisement readers to read, customers to reorder?

These are considerations for next year—for if your simple plan is sound, your product high in user benefits, your inventory adequate, your advertising and selling coordinated, your product can well take a big leap ahead on just the impact of this well-communicated excellence.

#### Checking on results

In any case, since your objectives were measurable, you have an opportunity to check on how you're doing.

- Is the advertising doing what it's supposed to?
- Are the distributors stocking?
- Are the salesmen getting orders?
- Do shipments arrive on time?

If each is going according to plan, you have no worries; if not, you know exactly where to make adjustments.

These shortcuts omit many of the sophisticated refinements dear to the hearts of business school grads. But they work.

Add the refinements year by year—but never let them divert you from meeting your basic business needs head-on with a simple plan whose objectives are within the scope of your resources. **END**

REPRINTS of "Shortcuts to Better Sales" may be obtained from *Nation's Business*, 1615 H St. N.W., Washington, D.C. 20006. Price: One to 49 copies, 50 cents each; 50 to 99, 40 cents each; 100 to 999, 30 cents each; 1,000 or more, 20 cents each. Please enclose remittance with order.



## letters

# The Flood Insurance Program: A Joint Venture

• As a supporter of the free enterprise system, I was disappointed with the article on flood insurance ["A Program to Keep Businesses Afloat," February]. The article describes the flood insurance program as a government program, with no mention of the important role played by the insurance industry. Not only is it misleading, but parts of it are downright incorrect.

The flood insurance program was established as a result of the efforts of both the insurance industry and Congress, and is a joint venture—a part-

nership, if you will, between government and private industry.

Flood insurance is sold by local insurance agents who complete the necessary application forms and collect the premium. The application is then processed by a "servicing company" which prepares and issues the policy. Claims are also handled by this servicing company.

All policies are 100 per cent reinsured by the National Flood Insurers Association, an organization formed by some 60 insurance companies which voluntarily pledged some \$42 million of their capital as the industry's share of this joint government-industry venture.

This venture demonstrates that private industry and government can work together in meeting the needs of our citizens, that the free enter-

prise system can work even when government funds are required to partially support a program.

P.G. BUFFINTON

Vice President  
State Farm Fire and Casualty Co.  
Bloomington, IL

## Male secretaries welcomed

• I was very pleased to read in "Executive Trends" [January] that there is a trend toward male secretaries. I have long maintained we need more men in the profession—it would upgrade salary standards!

I also noted with interest that Herbert E. Nelson, former president of Male Secretaries of America, is an "assistant to the president," not a secretary. The item stated that it doesn't take eye shadow to be an administrative assistant. I might add it doesn't take a man to be an "assistant to the president." Many secretaries are in reality assistants to the president but without the title, prestige or commensurate salary.

DONNA FRANKLIN  
Administrative Secretary  
Tulsa, Okla.

## Cheers for "Adversity"

• "The Uses of Adversity" by James J. Kilpatrick [February] is one of the most sensible and meaningful expressions—in this time of great need for sense and meaning—that I've read.

There are a lot of things going for this country, including its system of government, its people, its judicial system, its history, its values and its rich religious heritage. May we never seriously alter a system of government which works so effectively in such humanly "hopeless" times.

As Mr. Kilpatrick said, the present and next generation and other generations to follow will long remember the prodigious favor the Arabs did for our country. Our people have been somewhat spoiled and gluttonous. They need to reflect and retrench. Maybe the most prevalent ailment we have is obesity.

D.E. HUGHES  
Manager of Codes and Ordinances  
Southern California Gas Co.  
Los Angeles, Calif.

## RAISE CAPITAL

2,618 SOURCES. GET \$500 TO \$2,000,000.  
Business capital, loans, grants, cash to start  
a business. Satisfaction guaranteed.

Helped Thousands—SEND NO MONEY—Free Details  
NATIONAL COUNSELOR REPORTS  
Div. 10. Kerrville, Texas 78028

## RECORD YOURSELF ANYWHERE!

### Mini-Cassette Tape Recorder—Solid State by SHARP



A portable memory to record your ideas, dictation, business meetings, classroom lectures, voices of loved ones. Also provides you excellent listening pleasure from pre-recorded tapes of your favorite music. A completely self-contained professional unit ready to record or play back at the touch of a button. No external speakers, cords or microphones to hassle with. Time-Saving. Space-Age Electronics from SHARP.

- Tapes Anything—Anywhere
- One-Touch Pushbutton Controls
- Built-in Condenser Micro
- Automatic Level Control
- Advanced Solid State Circuitry
- 2 1/4" Built-in Dynamic Speaker
- Remote Start/Stop Control Included
- RECHARGEABLE and Throwaway Batteries Included
- AC Adapter Included
- Uses Standard Cassette (sample included)
- Records 120 Minutes Per Tape
- Convenient Hand Strap
- 350 MW Output
- 1 Year Warranty
- Size: 4" x 8" x 1 1/2". Wt.: 1 1/2 lbs.

Please rush me \_\_\_\_\_ Sharp RD-428  
Mini-Cassette Tape Recorder(s) at \$69.95 (plus  
\$2.55 shipping and handling) each. If not satisfied  
I can return it within 2 weeks for a FULL immediate  
refund.

- ☐ Check or Money Order Enclosed  
☐ Charge to my credit card below:  
☐ American Express ☐ BankAmericard  
☐ MasterCard ☐ Diners Club  
☐ Carte Blanche

Credit Card # \_\_\_\_\_  
Master Charge Code # \_\_\_\_\_ (4 digits)  
Name \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
Signature \_\_\_\_\_ RD-4/76

Put Coupon in envelope and mail to:  
CONTEMPORARY MARKETING, INC.,

807A Country Club Dr., Bensenville, Ill. 60106 Phone: 312-595-0401

TRY IT FOR 2 WEEKS—NO OBLIGATION!



# Advertisers in This Issue

Allstate Insurance Company <i>Leo Burnett U.S.A.</i>	1	R Telephone Mart <i>Inter/Media, Inc.</i>	51N
R American Buildings Company <i>Doug Pritchett Advertising, Inc.</i>	43I	Trans-American Collections, Incorporated <i>Plaza Promotions</i>	21
R Anchor Post Products, Incorporated <i>Famous Daylab &amp; Company, Inc.</i>	39E	IE Virginia Beach Industrial Development <i>The Matthews Agency, Inc.</i>	64D
Apoco Corporation <i>Albert Jay Rosenthal &amp; Company</i>	10-11	Zippo Manufacturing Company <i>Zafco Company</i>	9
Bally Case & Cooler, Incorporated <i>Boamont, Heller &amp; Sperling, Inc.</i>	69	KEY	
IE Baltimore County Ind. Dev. Commission <i>The Ogden Advertising Company</i>	64B	R-Regional	
Bic Pen Corporation <i>Kurtz &amp; Symon, Inc.</i>	17	IE-Industry Edition	
Butler Manufacturing Company <i>Valentine-Radford Advertising</i>	33		
Capital Finance Services <i>Stackle, Sanderson &amp; White, Inc.</i>	62		
Contemporary Marketing, Inc. <i>Direct</i>	58		
Continental Insurance Companies <i>Doyle Dunn Bersbach, Inc.</i>	4-5		
IE Dade County Office of Economic Development <i>Samuel B. Crispin &amp; Associates</i>	64		
R Dominion Bank's/ares Corporation <i>Associated Advertising of Roanoke, Inc.</i>	18C		
Eastman Kodak Company <i>J. Walter Thompson Company</i>	35		
Employers Insurance of Wausau <i>The Cramer-Krasselt Company</i>	7		
R Eileck Manufacturing Company <i>Chirug &amp; Cairns, Inc.</i>	51M		
Evjraide Motors <i>The Cramer-Krasselt Company</i>	Cover 4		
Executone, Incorporated <i>Nadler &amp; Larimer, Inc.</i>	8		
IE FPC Financial Services <i>Charles Duble Inc.</i>	58		
R Financial Publisher <i>Humphrey &amp; Karbo</i>	39F		
Ford Truck <i>J. Walter Thompson Company</i>	Cover 3		
R G.A.C. Finance, Incorporated <i>Wrightman, Inc.</i>	12A		
IE Hertz Car Leasing <i>Van Horn &amp; Company</i>	12A		
The Home Insurance Company <i>Albert Frank-Guenther Law</i>	34		
Industrial Credit Financial Services <i>Coleman/Gulf, Inc.</i>	69		
International Telephone & Telegraph Company <i>Noodman, Harper &amp; Stevens, Inc.</i>	47		
Latham Time Recorder Company <i>George &amp; Glaser</i>	62		
IE State of Maine <i>Hill, Holliday, Connors, Cosmides, Inc.</i>	12D		
Meilink Steel Safe Company <i>Rotsinger Tenney Richard Inc.</i>	26		
R Michigan Bell Telephone Company <i>Ross Roy Incorporated</i>	38A-38H		
IE Mississippi Agricultural & Industrial Board <i>Gordon Marks &amp; Company, Inc.</i>	73		
NCR—Domestic Marketing <i>Kircher, Helum &amp; Collett, Inc.</i>	Cover 2		
National Counselor Reports, Incorporated <i>Adholder Agency</i>	68		
IE National Truck Leasing <i>David W. Evans, Inc.</i>	12D		
IE State of Oklahoma <i>Martin Hansen Agency</i>	64B		
Paperweights, Incorporated <i>Brend Advertising Associates</i>	69		
R Pilot Life Insurance Company <i>Laridge &amp; Associates, Inc.</i>	22		
IE Handustrial Corporation <i>Mr. Pleasant Advertising, Inc.</i>	64C		
Safeco Corporation <i>Foot, Cone &amp; Bolding</i>	59		
IE Sharp Electronics Corporation <i>Witner &amp; Sanchez, Inc.</i>	64A		
The Southern Company <i>Littler, Neal, Battle &amp; Lindsey, Inc.</i>	14		
IE South Carolina State Development Board <i>Cook/Ruff &amp; Associates</i>	9		
IE South Dakota Industrial Division <i>Coffe &amp; McVay Advertising Agency, Inc.</i>	12B-12C		

## Metro Advertisers

Ambassador Scotch
American Investment Company
Associated Transport, Inc.
Atlantic Telephone Company, Inc.
AT & T (Long Lines)
Bank of America
Beckwith Machinery
Bandix Corporation
Best Products
Blue Cross/Blue Shield
The Boston Globe
Branches of Georgetown
Budd Company
Camden County Economic Development
Carson City Silver Dollar
Chemical Bank
Cleveland Electric Illumination
Cleveland Trust Bank
Continental Illinois National Bank
C & P Telephone
Detroit Bank & Trust
Duquesne Light
Echelon Community
Eden Roc Hotel
Equibank
Financial Guardian Insurance Company
The First National Bank of Boston
The First National Bank of Chicago
The First National Bank of St. Louis
Greenbriar Hotel
Hiram Walker Importers, Inc.
Holiday Inns
ITT Communications Equipment
Larimer's
Liberty House & Rhodes
London Fog
Mackay Homes
Manufacturers National Bank
Massachusetts Mutual Life
Mercantile Bank
Missouri Illinois Tractor
National Shawmut Bank
New England Merchants National Bank
Norfolk
Perpetual Building Association
Provident National Bank
Puerto Rican Bank
Royal Typewriter
Seay & Thomas Harbor Point
Society Corporation
Southwestern Bell
Texas Industrial Commission
Texas International Airlines
Walpole Woodworkers, Inc.
Washington Gas Light Company
Western Savings Bank
State of West Virginia
Wander International, Ltd.
WRTH Radio

## BALLY

### Walk-In Coolers and Freezers



### Refrigerated Buildings



Assemble any size, for indoor or outdoor use, from standard modular panels • Fast to erect • Easy to enlarge • Simple to relocate • Low in cost • Subject to investment tax credit and fast depreciation

Refrigeration systems available for temperatures from 50°F. cooling down to minus 40°F. freezing. Write for 28-page brochure and wall sample. (Indicate: ☐ Walk-ins ☐ Buildings.) Bally Case & Cooler, Inc., Bally, Pa. 19503



Address All Correspondence to Dept. NB-4



### YOUR LOGO ON POLISHED MARBLE PAPERWEIGHTS

100 Minimum \$188. total cost. Your logo etched in up to 5 matched colors. Spread good will at minimum cost. Free sample paperweight and literature. Letterhead requests only.

PAPERWEIGHTS, INC. Dept. 1C  
100 Broadway, Garden City Park,  
New York 11040 (516) 741-2800

## Executive Confidential LOANS to \$12,500

... from the country's oldest and largest loan-by-mail service. A quick and extremely confidential source of money for immediate needs or as a future credit line. No collateral... no embarrassing investigation. Simple details handled over the phone or by personal mail from the privacy of your home or office. The quiet service for your financial needs.

Dial our private, toll free number 800/328-7328, or write:

Charles R. Donner, Executive Loan Director  
2404 Hamm Building  
Saint Paul, Minnesota 55102

Please send me information on confidential loans.

Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Co. \_\_\_\_\_

Industrial Credit Financial Services  
Member: American Industrial Bankers Association since 1937





## The Law That Boomeranged

The Davis-Bacon Act was designed to protect local construction firms; but with a friend like that, who needs enemies?





When Attorney General William B. Saxbe, then a Senator from Ohio, introduced S 400—a bill to establish a Criminal Justice Reform Administration—it included a requirement that's becoming a fixture in Washington. The bill contained a clause that read:

*"All laborers and mechanics employed by contractors or subcontractors on all construction projects assisted under Title 1 of this Act shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act. . . ."*

Clauses containing virtually identical language appear in hundreds of bills introduced in Congress, which involve construction for goals ranging from fighting alcoholism to providing more schooling for the deaf.

This may prompt many readers to ask: "The Davis-what Act?"

Though Davis-Bacon may not be a household word among businessmen, it has tremendous import.

Contrary to laws requiring the awarding of government business to the lowest bidders, Washington doesn't hunt for the lowest bids on its construction projects—or those it subsidizes.

The Davis-Bacon Act is a prime reason.

This law directs the Labor Department to set minimum rates for construction workers at the level of prevailing wages in "the city, town, village or other civil subdivision of the state in which the work is performed."

These rates, however, are never the average of those paid all construction workers in the area. They are almost always at least as high as the local union rates and, in some instances, higher.

Minimum wage rates are set for each of the crafts in advance of inviting bids for a construction project financed or assisted by the federal government. Contractors who want to

bid must agree to pay at least these minimums.

Typical of the minimum hourly building rates set is the \$10.27 for carpenters in Gary, Ind., and the \$7.20 for common laborers. In Washington, D.C., the minimum rate for steamfitters is \$9.99 and for common laborers, \$6.95.

About \$45 billion in federal construction in 1973 was affected by Davis-Bacon minimums.

With first-year union contracts averaging 6.3 per cent increases in 1973, concern about rising costs in the construction industry is well justified.

### Distorted reflection

This is particularly true when you consider that the Davis-Bacon minimums do not in any way reflect the average wages in construction.

In early 1974, for example, the average union scale for all construction trades was \$7.79. But actual average

hourly earnings of construction workers were much lower. They ranged from \$5.77 in heavy construction to \$6.72 in contract construction and \$7.30 in special trades.

Actual average hourly earnings of journeymen averaged about 75 per cent of the union scales.

These prevailing rates, however, were not the rates used for Davis-Bacon minimums. They have been set at the union scale more than 90 per cent of the time.

In many cases, the Labor Department has set minimum rates above even the union scale found in the area in which the work is performed.

Higher union rates in some other area, 50 or 75 miles from where the work is to be done, are frequently used instead of local rates, despite the instruction in the law to the contrary. More than 50 per cent of the time the Labor Department has used union rates from a county other than

## HOW UNION PAY STACKS UP

Here's what hourly union wages add up to annually for building trades workers:

Building laborer	\$11,520
Plasterer/cement mason	\$14,496
Carpenter	\$15,024
Bricklayer	\$15,760
Electrician	\$19,600
Plumber	\$20,700

These estimates, according to the Associated General Contractors, a construction industry trade organization, are minimums. They include the usual extra benefits—pension, health and welfare payments—but not payments for such items as overtime, shift differentials, etc. Figures are based on a Bureau of Labor Statistics hourly wage survey and assume a 50-week year for electricians and plumbers, and 40 weeks for others.

"Up North, laborers, plasterers, cement masons, bricklayers and carpenters usually work about 1,600 hours—40 weeks—a year," an AGC spokesman says. "South of the Mason-Dixon line, they usually work year-round. Electricians and plumbers, people who work inside, put in 2,000 hours a year—50 weeks—everywhere."

YALE BROZEN, author of this article, is a professor of business economics, Graduate School of Business, University of Chicago.



## The Law That Boomeranged *continued*

that in which the work was done.

The 450-unit Capehart housing project at the Marine Corps Schools, Quantico, Va., provides an example of the importation of a high rate into a lower rate area.

The Labor Department's Wage Determination Division used union rates in Washington, D.C., to set a schedule of minimum rates for various crafts at the Quantico project. The rates set ranged from 65 cents to \$1.95 an hour higher than those paid at two large private housing projects built in Quantico in the same period.

Thus, the Davis-Bacon minimum rates for this project could hardly be called prevailing rates in the area. They were higher than the highest rates found in a Navy survey of wages in the area.

The amounts by which the minimums exceeded the highest rates paid ranged from three cents to \$1.49 for the various crafts. The highest rates paid found in the Navy survey were Davis-Bacon minimums which had been set earlier for federally assisted projects.

### Defeating its purpose

The original purpose of the Davis-Bacon Act was, in the words of Rep. Robert Bacon (R-N.Y.), "simply to give local labor and local contractors a fair opportunity to participate in the [federal] building program."

At the time (1931), a Southern contractor had won the bid to build a veterans' hospital in New York. He imported Southern construction workers to do the job.

The wage the contractor paid was below that which prevailed in Rep. Bacon's district. Their higher wage costs prevented local contractors from bidding as low as the "interloper."

Since the Labor Department has begun setting minimum wage rates for federal and federally assisted construction work, the purpose of the Act has been perverted because the rates so frequently are above the level prevailing in "subdivisions of the state in which the work is performed."

As in the Quantico case, they sometimes are based on union rates in a city which is not even in the same



state. For example, St. Louis, Mo., rates have been imported into Illinois, and Chicago, Ill., rates into Indiana.

The result has been that local labor and local contractors in rural areas and small towns lose jobs to contractors from outside their areas.

Davis-Bacon minimum wage rates in western Pennsylvania, for example, are based on the Pittsburgh construction union scale.

The common labor rate for building construction in Pittsburgh is \$7.55 (\$6.75 per hour plus 80 cents in fringe benefits) while the prevailing wage for common labor in depressed Appalachia is \$3 an hour.

As a consequence, local contractors did not bid for water, sewage and school projects. The "minimums" forced on them for these projects would have jacked up their wage scales so high that they would have been unable to compete for nongovernmental projects.

So the contracts went to union contractors from out of town who were already paying these wages. They imported their own crews, instead of using local labor.

### Adding injury to injury

Thus, because of Davis-Bacon wage minimums set in violation of the Act, federal subsidies for projects in Appalachia frequently have not served to increase the number of jobs available to local workers. And local workers' interests have been hurt in other ways, too.

As one consulting engineer from Somerset, Pa., laments:

"The local laborer, out of his \$2.25 per hour wage, must pay the higher water and sewer service charges resulting from construction costs inflated by outside labor unions. His taxes are increased to pay for other projects including schools to better educate his children. We must import union contractors, thus depriving the local worker of an employment opportunity. He can't win for losing!"

In his January budget message, President Nixon proposed spending more than \$511 million for rural community facilities and industrial development.

With some funds going to projects subject to Davis-Bacon minimums, the result will be less work for rural labor. Also, there will be less community development than would occur if local labor were used.

And, as more work is provided for construction tradesmen imported from large cities, the scarcity of journeymen in those cities will grow worse and construction costs there will escalate above their already scandalously-high levels.

### Little assistance for poor

The Davis-Bacon Act also negates the effect of Section 221 D4 of the National Housing Act. This section's purpose is "to assist private industry in providing housing for low and moderate income families and displaced families." It offers subsidies to reduce interest costs in projects serving such families.

Any project built with these subsidies must pay construction workers the minimum rates set by the Secretary of Labor. The net result of the Secretary's wage determinations is that the subsidy is largely consumed in higher pay.

Therefore, little benefit emerges for the families who were presumably to be assisted by federal subsidization of interest costs.

An illustration is provided by a high-rise apartment house to be built in Prince George's County, Md.

A developer, after completion of one high-rise and while in the process of building a second, received an interest cost subsidy to build a third for moderate income families in the



same project. Along with the interest cost subsidy came a set of Davis-Bacon minimums to be paid.

Bricklayers whom the developer was paying \$5.80 an hour had to be paid a minimum of \$6.50—plus fringe benefits—on the moderate income housing. Carpenters whom he was paying \$4.50 had to be paid \$6.09 plus fringes. Common laborers whose pay was \$2.50 were to be paid \$4.39 plus fringes.

The builder objected that these rates would force a \$30-per-month increase in rentals, making costs to tenants in the subsidized building higher than those in the first two buildings. He further objected that the rates set were based on those found in commercial construction—not those paid by builders of high-rise residential structures.

Before his objection was acted upon by the Labor Department's Wage Appeals Board, a new determination was made by the Wage Determination Division. The new rates were even higher than the previous minimums.

The \$6.50 rate for bricklayers was raised to \$7.10. The \$6.09 for carpenters was raised to \$6.49. The \$4.39 for laborers was raised to \$4.82.

Any hope of making low-rent apartments available for moderate income families went glimmering.

In this case, however, the builder—and the tenants—lucked out.

The builder was able to complete the project as a result of President Nixon's brief suspension of the Davis-Bacon Act, shortly before Phase I of his anti-inflation fight.

#### The ailing and the aged

Examples of injurious Davis-Bacon wage rates are legion.

The contractor for the Madison Community Hospital, to be built with Hill-Burton and local matching funds in South Dakota, found the minimum rates set for the job exceeded what he had been paying by amounts ranging from 10 cents an hour for laborers to \$1.26 an hour for sheet-metal workers.

Rates set for a project at Fremont, Mich., under the Housing for the Elderly Program, caused a local contractor to withdraw his bid of \$93,000. Davis-Bacon minimums in-

creased the cost to \$135,000, the best bid that could be obtained from a nonlocal contractor.

All local contractors refused to bid if they had to pay the Davis-Bacon minimums, set by the Labor Department. The project was abandoned.

A federally aided low-rent housing project in Atlanta, Ga., had Davis-Bacon minimums set at levels running from 80 cents an hour more for laborers to \$1.65 more for electricians than was paid in private construction.

A low-rent project in Cullman, Ala., had Davis-Bacon minimums set initially which averaged 62 per cent higher than local rates. The minimums were based on Birmingham rates, though Birmingham is 55 miles away.

#### No bargain for union labor

Because of the Wage Determination Division presumption that union rates should be used to set minimums in its wage determinations, construction union negotiators have become increasingly tough in insisting on large wage increases. They know that whatever the rates are, contractors

working on federal and federally assisted projects will have to pay them.

The number of jobs available at union rates in private construction has declined because of the high wage levels.

However, the wage rates extorted on federal projects compensate, in part, for this decline.

Union members are taking more and more nonunion jobs to offset the decrease in employment openings.

In many areas where union rates have reached the \$8 and \$9 level, members are working on nonunion jobs at \$4 to \$5 an hour when no union jobs are available.

For many types of construction in many communities, only union workers at union rates are used, even though the financing is not federal or federally assisted. As costs have been forced up, the result has been cancellation of projects which communities need but cannot afford.

Unions, with Davis-Bacon incentives, have overpriced their members to the point where construction dollars buy too little. END

## Send for Mississippi.

And we'll send you 24 colorful pages right back in a beautiful book that outlines the advantages of locating and living in Mississippi.

It's all there for you: site availabilities, labor supply, training programs, transportation, distribution, educational opportunities and leisure time.

Use the coupon to send for your free copy of "Mississippi, State of Change." We'll see to it that you get Mississippi delivered right to your door.

*Bill Waller*

William L. Waller  
Governor



Mississippi A & I Board  
P.O. Box 849  
Jackson, Mississippi 39205  
Please send me my free copy of "Mississippi, State of Change."

Name \_\_\_\_\_ Title \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_

**Mississippi, State of Change.**

Mississippi Agricultural & Industrial Board  
Dr. Robert L. Robinson, Executive Director



---

---

## business: a look ahead

---

BY GROVER HEIMAN  
Associate Editor

---

### Jobs for Veterans Program Gets a Permanent Lease

Starting this month, the Jobs for Veterans Program becomes a permanent part of the federal government effort.

For three years, the program has been coordinated by a small staff working under direction of a 100-member national committee appointed by the President. This committee is now dissolving.

In a new approach, the Labor Department will coordinate efforts of other federal agencies and provide liaison with governors' and mayors' task forces. The Department's Manpower Administration, basically through its Veterans Employment Service, will continue activities in this field, such as providing veterans employment representatives in state employment service offices.

The National Alliance of Businessmen, which has been participating in the pro-

gram, will assume a greater role. It will take over responsibility for all media information, and sponsorship of job fairs. Also, of course, it will continue trying to find job opportunities for veterans.

More than three million Viet Nam-era vets have returned to civilian life since the program was started in 1971. Unemployment for this segment of the work force reached a high of 11 per cent, but in recent months has actually been equal to or lower than the national average. It was 5.2 per cent in January.

NAB reports it has found jobs for more than 468,000 veterans. NAB President John Z. DeLorean says his 5,000-man (mostly volunteer) organization is now giving added emphasis to finding job opportunities for disabled veterans.

### NLRB Gets Cracking on Crackdowns

Unions or employers that drag their feet in complying with a National Labor Relations Board order to remedy unfair labor practices can expect a lot more rapid action now than in the past.

NLRB says it handles between 300 and 350 such noncompliance cases annually, with employers the alleged offenders in two thirds of them. When there is a refusal to

comply, the NLRB's general counsel applies to a federal circuit court of appeals for legal enforcement.

In 1971, the average time between a notice of noncompliance reaching Washington and the filing of a request for a circuit court order was 151 days. NLRB Chairman Edward B. Miller says the elapsed time now averages 30 days.

### Uncle Sam's Buying Methods May Be Changing

Efforts to bring some standardization to federal buying practices could produce results in this session of Congress, if the legislators don't get completely bogged down in the energy crisis and the impeachment inquiry.

S 2510 should reach the Senate floor before summer. This is a bill introduced by Sen. Lawton Chiles (D.-Fla.) that would create a central Office of Federal Procurement Policy in the Executive branch. The new office would coordinate and direct federal purchasing activity by setting government-wide procurement standards and regulations for executive agencies.

A companion bill in the House, HR 9059, sponsored by Rep. Chet Holifield (D.-Calif.), doesn't differ materially from the Senate bill. Action on this bill would follow the Senate

vote. S 2510 breezed through the Senate Government Operations Committee, in the wake of hearings held by a subcommittee which Sen. Chiles chaired. The bill got broad-based support from small businessmen, industry leaders, labor unions and many government officials.

Most opposition, according to Sen. Chiles, has come from certain federal agencies which "may be more interested in protecting their bureaucracies than in cutting wasteful government spending."

Says the Senator: "When you consider that the federal government [annually] spends \$100 billion in procurement and grant allocations, then even a 2 per cent savings is translated into two billion worth of tax dollars."



## Wildcatters Could Be Transformed into Pussycats Offshore

In the old days a lessor didn't have any authority to tell an oilman how to run his business—from drilling to production. But now operators of 5,800 oil and gas wells in federal portions of the Gulf Coast Outer Continental Shelf face such an eventuality.

Lease operations are under control of the U.S. Geological Survey, which is preparing a comprehensive order setting production rate standards that could go beyond traditional state rules. Being considered are federal procedures for well testing, balancing production, locating wells and jointly operating competitively owned reservoirs.

The federal government, for example, may in the future stipulate if, when and how gas produced along with crude oil may be flared—burned off. Under terms of the new rules the well operator would be able to produce oil from each well and reservoir at

the maximum rate mechanically feasible, but flaring of gas would be restricted when it is deemed wasteful.

In addition to facing restrictions on flaring, operators may have to follow a plan that provides for optimum positioning of wells according to an oil reservoir's geological configuration and slope, and the expected production.

Gas wells may be shut down when they are found to be producing from the apex of an oil reservoir containing a gas cap. (This would be considered an energy waste.)

The Geological Survey says the aim is to ensure the maximum amount of oil and gas production without waste from the Gulf Coast Outer Continental Shelf. Similar federal supervision could be established for future drilling operations, such as on the Eastern Continental Shelf.

## What's Coming Up on the Farms

We haven't seen the end of changes on the American agricultural scene, Washington officials say.

The Agriculture Department's Economic Research Service predicts "probable" continuation of a shift toward more contract crop arrangements, and family and investor farm corporations. It also envisions national and regional farm cooperatives expanding their buying and selling.

At the same time, it sees significant ex-

pansion of farm credit encumbrances over the next decade, meaning creditors will have more to say about how farms are run.

Reports the Agriculture Department: "Current trends in adapting farm credit to the needs of the farmers, particularly those with little experience or equity, indicate some shift of control to creditors. The shift usually involves some participation by the creditor in organizational decisions, but less in operational decisions."

## Manpower Programs Are Changing Hands

Decentralization of most federal manpower programs may be well along by midyear, with control moving into the hands of state and local governments.

The Comprehensive Employment and Training Act of 1973 removes job training programs costing about \$2 billion annually from direct federal control and turns the money over to "prime sponsors"—mayors, county executives and governors.

Regulations governing plans that these sponsors must submit before they can assume control are due this month. Once state and local governments take charge, they will decide on the mix of manpower services, including offers of public service jobs, that they will make available.

Some 11,000 contracts with existing program agents, such as community action agencies, will be replaced by about 500 contracts with elected officials.

The chief impact, of course, is that the decision-making process moves from Wash-

ington to the local community. The effectiveness of the programs will be dependent on the quality of local manpower planning.

The law ensures business representation in the programs by requiring state and local prime sponsors to establish councils which recommend types of programing. Later, these councils will monitor the employment and training programs and evaluate them.

Funding for fiscal year 1974 is \$1.6 billion, a total that excludes \$250 million designated for public service jobs.

Trade associations are alerting businessmen to a proviso in the law that permits prime sponsors to use almost all the \$1.6 billion for public service employment if they so elect.

Says one association expert: "Business must participate in this local planning exercise to make sure manpower funds are spent in a way providing maximum benefit to the unemployed and underemployed, the employers and the community generally."



business:

it took ahead

---

## editorial

---

# The Threat in the Wings

The end of this month will mark the end of most wage and price controls, an event we all can celebrate—but with some reservations.

There may be a few price bulges, particularly in areas of shortages, many of which were caused or aggravated by controls.

Wage demands generally seem sure to skyrocket, even though wages have increased far more than prices over a period of years.

And, lingering in the wings, is a threat of some kind of controls by government pressure—including what the press calls "jawboning." This technique has been applied in the past to business, and (though rarely) to labor, but has always failed.

Do you suppose there was something prophetic about the Bible's [Judges 15:15] specifying which animal's jawbone was a suitable weapon?



# Probably the most comfortable linehauler on the road today.

Just slide into the driver's seat in the newest W-Series Ford, and you discover a new kind of working environment. Here is driver roominess . . . elbow room, legroom, foot room combined with comfortable pedal angles . . . the move-around room you need to keep from getting cramped. Uncluttered roominess on the passenger side, too.

The standard driver seat is a Unison 675 with Roadrunner suspension . . . and has the ventilated comfort of breathable knitted vinyl. The huge glass area is all tinted. The built-in heater is available with integral air conditioning. The easy-to-read gauges have full-face illumination and are set in handsome simulated woodgraining.

To help promote cab quiet, the Ford W's air intake and exhaust are frame-attached without bracketing to the cab . . . the interior vinyl paneling is backed with foam padding and a full inch of fiberglass. Owner-operator option package includes thick nylon carpet also backed with foam. Beneath the Ford W's premium cab is premium engineering . . . and a full range of Diesels up to 350 hp. Competitively priced . . . talk to your Ford Dealer.

## Ford's W-Series.



Better ideas for more roadtime, less downtime.



## FORD HEAVY-DUTY TRUCKS

FORD DIVISION







## **EVINRUDE.**

### **Because few things can bring you so close to your family.**

Boating is a special kind of recreation for families in search of fun.

It's togetherness, with privacy. Entertainment, without commercials. Picnics, without ants. Vacation living, without vacation travel.

Most of all, it's a return to the real world — of small boys catching small fish, teen-agers swimming and skiing — of families having fun together.

At Evinrude, we build the power to make dreams go. Smooth, reliable outboard power — compact in size, economical on fuel.

Power to solve a lot of today's family recreation problems.



**EVINRUDE**   
DIVISION OF OUTBOARD MARINE CORP.  
*first in outboards*

Catalog free — see your dealer, or write Evinrude Motors, P.O. Box 663, Milwaukee, Wisconsin 53201.